# FINANCIAL TIMES

Weekend FT The birth of the leisure ethic

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SECTION II

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**企业的线线** 



Goran Ivanisevic:



Pleasures of Greek cuisine



# deal with BA may face merger probe

The alliance between American Airlines and British Airways suffered a potential setback when John Bridgeman, director-general of the UK's Office of Fair Trading, said the tie-up amounted to a merger which might have to be investigated by the Monopolies and Mergers Commission. Both airlines said they were happy for their proposed alliance to be investigated. Page 22 and Lex

### Seagate fights \$300m Amstrad damages suit

Amstrad, the UK-based consumer electronics group, resumes a £200m (\$306m) battle for damages at the High Court in London next week in a dispute with one of the world's leading computer component manufacturers, Seagate Technology. Amstrad claims Seagate supplied it with faulty hard disk drives for its computers in 1988 and 1989. Page 4

Lloyd's of London warned it may have to exclude US Names from the insurance market's recovery plan, which includes a £3.1bn (\$4.7bn) outof-court settlement offer. Page 22

Stocks in UK down after subdued week

FT-SE 100 index O Day's close 17 Jun\*96 21

A survey by the Confederation of British Industry, which gave further evidence of a slowing UK economy, lifted gilts but had no significant effect on equities. Despite predictions, the expiry of FT-SE 100 and FT-SE Mid 250 futures and FT-SE 100 index options failed to excite the market. The FT-SE 100 index closed down 5.2 on the day at 3,722.3. In a week affected

by a series of national sporting events, the index fell 31.3 points. Page 19; Lex, Page 22: Markets, Weekend FT Page XX

Railtrack starts roadshows for bonds: Railtrack, the recently privatised rail company which owns track, signalling and stations in England, Wales and Scotland, began investor roadshows for the sale of two bonds worth £235m. Page 6

Walt Disney has reinforced its ABC television anagement by appointing as president of ABC Entertainment Jamie Tarses from NBC, the leading US TV network. Page 5; Warner opens animation studio, Page 4; Screened for viability, Page 9

Davy International executive ousted: Davy International, part of Kvaerner, the Norwegian engineering and shipbuilding group, has dismissed a senior executive for allegedly leaking confidential contractual and technical information to VAI, the Austrian civil engineering company. Page 5

Europeanel is meeting with banks ahead of its annual meeting in Paris next week in an attempt to agree a refinancing plan, expected to involve the banks swapping part of their £8.8bn (\$13bn) debts for an equity stake in the company. Page 6

Appointments at Italian electric giant: Italy's centre-left government appointed an environmentalist and former communist as chairman of Enel, the state-owned electricity company, and prepared to replace its chief executive with a noted cost-cutter recruited from Silvio Berlusconi's pub-

lishing company. Page 2 Lucas chief expected to Join GEC: George Simpson, chief executive of Lucas Industries, is expected to succeed Lord Weinstock as managing director of the General Electric Company a few days after GEC's annual meeting. Page 5

AFG stake sale hits Glaverbel: Shares in Belgium's Glaverbel, Europe's third-largest glassmaker, fell BFr15 to BFr3,460 after it said it was selling its stake in AFG Industries, North America's second-biggest flat glass maker, to its own majority shareholder Asahi Glass of Japan for BFr9.6bn (\$306m). Page 5

Russell century lifts England: England wicketkeeper Jack Russell scored 124 to help his side to a first innings total of 344 in the second cricket Test against India at Lord's. By the close of the second day's play, India had made 82-3 in reply.

Companies in this issue

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The ace from Croatia

... WEEKEND JUNE 22/JUNE 23-1996

American Airlines | Deal outlines phased lifting of ban | UK ends non-cooperation policy

# EU resolves crisis over exports of British beef

By Lionel Barber, Robert Graham and Robert Peston in Florence

The crisis in relations between Britain and the European Union was defused yesterday after an artful Italian compromise which left all sides claiming a partial victory in the beef war.

The deal provides for a step-by-step lifting of the EU-imposed ban on British beef exports and ends the UK's policy of non-cooperation with EU business. However the compromise,

reached on the opening day of the European summit in Flor-ence, left Mr John Major, the British prime minister, with the tough job of selling the deal to

Mr Major claimed the deal vindicated his high-risk policy of blocking more than 70 EU decisions, while British officials said the UK had extracted concessions on the sensitive issue of selling beef to non-EU countries. The main prospective purchaser is South Africa.

"Leaving this problem to fester and go on would have been the worst thing for the UK and its partners," Mr Major said last

The European Commission rejected charges that the EU had retreated to accommodate Mr Major's domestic political difficulties. Under the agreement, the Commission will consider



John Major is toasted by Dutch premier Wim Kok (left) and German chancellor Helmut Kohl

British beef. But any sale will remain subject to scrutiny by scientific and veterinary experts in

Mr Dick Spring, Irish foreign minister, supported the Commission's interpretation. "My conclu-

tries for permission to import unlikely that British beef will be day's agreement, which offers no exported to third countries before there has been a step-by-step lifting of the ban to the EU."

Ireland takes over the rotating EU presidency from Italy in July and will be responsible for the follow-up during the crucial

timetable for lifting the ban. Officials in several EU countries predicted difficult political bargaining, despite the broad

Continued on Page 22 Grain aid cuts, Page 4

# California court rules against three-strike sentencing

By Christopher Parkes in Los Angeles

California's Supreme Court has undermined the state's draconian "three-strikes" law, under which judges are obliged to impose sentences of 25 years to life imprisonment on third-time offenders.

The ruling, agreed unani-mously by the seven-judge panel, said judges retained the power to spare convicts long sentences by overlooking former convictions.
The move, which some critics

said could swamp the criminal courts with 20,000 appeals, enraged leading state politicians. Mr Pete Wilson, Republican state governor, led the outcry against the court, which is dominated by conservatives from his own party. "We cannot tolerate a situation which permits judges who are philosophically unsympathetic or politically disinclined to three strikes to reduce the strong sentences voters intended to impose on habitual crimi-nals," he said.

Mr Bill Jones, California's secretary of state, said the decision was "disgusting".

Together with the Alabama state governor's decision to ban chain gangs in the state's pris-ons, also announced on Thursday, the California move may prompt a review of mandatory sentencing and other get-tough policies.

Despite the popularity of "three-strikes and you're out" in Californian cities, the legislation, endorsed by a popular vote in 1994, has jammed already overloaded courts and effectively bankrupted the Los court system. It has also been blamed for forcing prison gover nors to release thousands of other convicts prematurely because of lack of jail space. The Los Angeles County prison

system is currently operating at 180 per cent of its design capacity, while a new high-technology

# Sumitomo faces losses of up to \$4bn

Japanese group in secret copper transaction with UBS

By Kenneth Gooding and Micholas Denton in London

Sumitomo Corporation is facing losses of as much as \$4bn in the copper market, more than double the group's first estimate of \$1.8bn, according to traders who

expect to profit from the Japaese group's problems. The traders estimate that Sumitomo has more than 2m tonnes of copper - about 20 per

ern world each year - to sell. However, it emerged yesterday that Sumitomo had already closed out the bulk of its huge, loss-making copper futures positions in a secret transaction in which Union Bank of Switzer-

land acted as intermediary. UBS, the largest Swiss bank,

took over management of about \$1bn worth of Sumitomo's futures contracts on June 7. a week before the Japanese trading company announced losses on trading by Mr Yasuo Hamanaka, its senior copper trader.

Traders suggested that most of cent of the total used in the west-Sumitomo's losses were run up in the past few weeks as Mr Hamanaka fought a losing battle against some aggressive "short selling" by organisations betting the copper price would fall. Since copper reached a 1996 peak of \$2,715 a tonne in mid-May the price

has fallen by more than \$800. One trader insisted: "It is inconceivable that others at Sumitomo did not know what

[Mr] Hamanaka was up to." Nevertheless, it was clear the Japanese group did not know exactly how much metal it had in stocks around the world. "Hamanaka did so many side

deals." the trader said. Other traders said not all the copper would be surplus to Sumitomo's requirements.

It would have customers for much of it and this would be properly hedged. Most of Sumitomo's future con-

tracts were due to expire in June or July and were held by a dozen. brokers on the London Metal Exchange on behalf of Global Metals and Minerals, a New York-based trading house which was acting for Sumitoms

Sumitomo transferred the contracts because Global had experienced difficulties in coming up with extra cash to meet the higher deposits demanded by those it was trading with in volatile market conditions.

The involvement of a large financial institution such have no exposure any more. as UBS was intended to reassure the market that the futures

contracts would be honoured. UBS demanded collateral in cash to protect itself against the risk that Sumitomo would default and leave the Swiss bank to suffer the losses on the futures positions as the market fell.

Most of the futures contracts were released to the exchange le transaction earlier this week. It is believed Sumitomo cancelled out its positions with some of the organisations which had bet on a fall in the market and wished to cash in their winnings.

"We were active in stabilising the market," UBS said. "But we

Commodities, Page 7

Continued on Page 22

# Russian liberals urge party members to support Yeltsin

By Chrystia Freeland in Moscow

Russian president Boris Yeltsin yesterday appeared poised to win further support in his bid for re-election when leading liberals said they would urge members of their party to vote for him.

Officials from the liberal Yabloko party, whose leader, Mr Grigory Yavlinsky, finished fourth in the first round of the presidential election, predicted that at a congress today their organisation would formally give its support to Mr Yeltsin, who faces a run-off against the Communist challenger, Mr Gennady Zyuganov, on July 3.

"I will openly urge people to vote against Communists in the upcoming elections and I will do

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congress tomorrow adopts such a stance." Mr Ivan Grachev, a leading figure in Yabloko, said yesterday. "I personally think most of the parliamentary faction will speak out openly against the Communists and most will sup-port Mr Yeltsin."

Although Mr Yavlinsky and his Yabloko party have been fiercely critical of Mr Yeltsin, leading party officials said a Communist victory would be even worse. The Russian leader, who was narrowly ahead of his Communist rival after the first ballot,

has already won over Mr Alexander Lebed, the retired general who finished third. But some presidential aides said attracting Mr Yavlinsky's committed liberal supporters

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because his highly-educated and politically-engaged followers Mr Yeltsin's decision to sack the leading hardliners in his gov-

ernment earlier this week might be an added incentive for Yavlinsky supporters to back the president. Although Mr Yavlinsky has not yet committed himself, he has praised Mr Yeltsin's move and said he could not back the The Yeltsin campaign team's

biggest concern in the run-up to the second round is that the summer sun and election fatigue may keep millions of voters away from the polls. A low turnout is

Man in the news, Page 9 Continued on Page 22

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New York lunchtime

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By Lionel Barber in Florence

European Union leaders agreed yesterday to draw up a draft treaty on the political future of the Union in time for their Dublin summit in December.

The aim is to give fresh momentum to the Maastricht treaty review, the so-called intergovernmental conference, or IGC, whose purpose is to prepare the EU for its prospective enlargement to central

and eastern Europe.
After a brief exchange on the beef crisis, the IGC was the first item on the agenda of the EU summit in Florence yesterday. Leaders accepted the IGC had got off to a slow start, and ed to hold a special meeting in mid-October to acceler-

French farmers

French farmers yesterday staged a series of protests across the country, mainly directed at getting more European Union compensation for the fall in beef prices but overtly anti-British

In Strasbourg, farmers burnt an effigy of Mr John Major, the UK prime minister, outside the European Parliament building.

while at the port of Ouistreham in Normandy they also briefly held up the docking of a ferry arriving from Portsmouth. After

police intervened with tear gas, the farmers let the ferry in, but then checked its refrigerated trucks for suspect meat. In central France, farmers banded motorists leaflets saying, "The British

cheat, the French carry the can". In Le Mans five policemen and one farmer were injured, and at Tulles - in President Jacques Chirac's home region of Corrèze – another farmer was slightly hurt. In more peaceful and picturesque vein, farmers in the Paris region put cattle on a barge and sailed a "Noah's Ark"

France's two main farm unions called the protests to complain about the slump in beef consumption and to back France's

Florence summit yesterday. Paris also wants permission to give

demand that the EU increase compensation for beef farmers from Ecu650m (\$800m) to Ecu850m – a move agreed at the

beef at British

in some places, writes David Buchan in Paris.

down the Seine to the National Assembly.

more national aid to cattle breeders.

The slow pace is partly due external policy, and reform of are under pressure to offer the position of the UK govto the position of the UK government, which opposes any extension of majority voting.

Most EU countries believe some extension of majority voting is necessary to avoid paralysis in decision-making in an enlarged Union. France and Germany are pushing the idea of "flexible integration" to allow some countries to co-operate more closely in specific areas, without being held back by dissidents.

Italy, which hands over the EU presidency to Ireland on July 1, said it had identified the priorities of the IGC in the first three months of negotiations. These included citizenship, unemployment, protection of the environment, a

The Irish presidency's drive to accelerate work in the IGC in the autumn will coincide with efforts to resolve the outstanding technical work on the launch of the single currency by the end of the year.

The two principal issues are enforcement of budgetary discipline in countries signed up to economic and monetary union, and the politically vexed relationship between countries inside and outside the single currency area.

Against this background, EU leaders resumed their debate on how to improve growth, competitiveness and employment in Europe. With more than 18m people out of work across the Union, governments

something more appealing than calls for budgetary rigour in order to qualify for Emu. Mr Klaus Haensch, president

of the European Parliament, underlined the restive mood. He told EU leaders that MEPs supported austerity measures. but added: "There is no overall strategy for linking the policy of budgetary and monetary consolidation with one geared to sustainable growth and employment.

Mr Jacques Santer, European Commission president, countered in the afternoon with his proposals for a pact of confidence between govern-ments, employers and trade unions. This is his first big policy initiative. It has three main

reduce non-wage costs to encourage employers to hire labour; fresh pressure to reduce rigidity in labour markets and to persuade employ-ers to allow more flexible working hours, and a reallocation of resources in the EU budget, drawing on substantial underspending in farming resulting from reforms of the

common agricultural policy. Mr Santer wants to shift Ecul.7bn (\$2.1bn) of surplus funds into transport networks. as well as research and development. An ambitious set of 14 road and rail projects has been stalled for almost three years because of financing difficulties, despite regular endorse-ments by heads of government who refuse to sanction extra

Mr Santer hopes to shame EU leaders into parting with at least a portion of the Ecul.7bn. But the UK signalled that it would prefer to see the funds reimbursed to national treasuries. Other countries appeared similarly minded. Even without the extra fund-

ing, Mr Santer appears to be making headway with employers and trade unions. On the eve of the summit, the Commission received a letter from the Unice employers' federation, and the ETUC union grouping, announcing their diness to begin discussing working hours and labour flexibility, provided these would not prejudice rights to holiday, pensions and welfare payments for part-time workers. Beef crisis, Page 4

INTERNATIONAL NEWS DIGEST

FINANCIAL TIMES WEEKEND JUNE 22/JUNE 23 1996

# Ciller fails to seal Refah pact

Mrs Tansu Ciller, leader of Turkey's conservative True Path party, failed yesterday to clinch a coalition deal with the Islamist Refah party. However, she is to meet Mr Necmettin Erbakan, Refah's leader, again on Tuesday. True Path party members said she and Mr Erbakan decided how to share out government posts but disagreed on who would head the

Four True Path MPs quit the party in protest and joined the rival centre-right Motherland party of Mr Mesut Yilmaz, caretaker prime minister. Their defection cuts to 129 the number of True Path MPs in the 550-member parliament. The reballion also relegates True Path to third largest party and Motherland becomes the second, after Refah. Mr Yasar Dedelek, a True Path rebel, said another 30 MPs would quit if Mrs Ciller did ally with Refah. If this proved correct, a governing coalition would fail to muster a majority in

The Islamists' ranks are also rumbling with discontent over an alliance with True Path. Many of the normally highly disciplined Refah MPs have voiced their anger at Mr Erbakan's decision to ally with Mrs Ciller, the target of Refah-inspired parliamentary corruption investigations. Refah owes much of its electoral success to a reputation for honesty.

John Barham, Ankam

### German telecom pay rise agreed

Deutsche Telekom, the German telecoms group which is to be partially privatised through a DM15bu (\$9.7bn) share issue in November, yesterday agreed a wage deal for its 210,000 employees which will cost the company just over DM100m. The company said it was "absolutely satisfied" with the agreement, which is almost identical to the public sector wage deal agreed earlier this week. Employees will receive a one-off payment of DM300 this year, followed by a 1.3 per cent wage rise in 1997. The German Postal Union had originally demanded a 4.5 per cent wage, which Deutsche Telekom said would have cost DM330m a year. The company's 40,000 workers in eastern Germany will have their wages adjusted gradually so that they match western German levels by October 1999.

Michael Lindemann. Bo

### Appeal filed on Malaysian dam

Ekran, the Malaysian company managing construction of a controversial \$5.5bn hydroelectric dam, is appealing against a court ruling that the dam violates environmental law. The ruling has raised fears the project could be delayed, just a week after the government awarded the main contract to build the Bakun dam to a consortium led by Swiss-based ABB Asea Brown Boveri. Analysts expect the appeal to result in a second environmental impact report being written. It remains unclear whether preparatory work on the dam will have to be stopped. Mr Anwar Ibrahim, Malaysia's deputy prime minister and finance minister, suggested that preparatory work should not be delayed because of the court ruling. Work to clear rainforest at the dam site in the eastern state of Sarawak has already begun.

James Kunne. Sinomor James Kynge, Singapore

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### Czech partners agree policy

Leaders of the Czech Republic's coalition parties said yesterday they had agreed a policy programme, but still differed over the make-up of a new minority government. The three leaders will meet again on Monday for more negotiations, Mr Vaclav Klaus, the prime minister, said.

Mr Klaus has been trying to form a minority government with the Christian Democrats and the centre-right Civic Democratic Alliance since losing a parliamentary majority in elections earlier this month.

Mr Klaus was upbeat on prospects for striking a deal before the new parliament meets for the first time on Tuesday, but Mr Josef Lux, the Christian Democrat chairman, said the leaders had not discussed the tough issue of whether Mr Klaus's Civic Democratic party should give up the majority of

### Envoy pulls out in Suharto row Mr Miles Kupa, an Australian diplomat who had been

suggested as the next ambassador to Indonesia, has withdrawn as a candidate in the wake of growing controversy over comments he made in the late 1980s apparently criticising the business dealings of President Suharto's family, Mr Kme's alleged criticism was contained in an internal briefing paper for the Department of Foreign Affairs and Trade.

Commentators have drawn comparisons with an incident a year ago, when Indonesia was forced to withdraw its proposed ambassador to Australia, General Herman Mantiri, because he defended Indonesian army actions in the 1991 "Dili massacre"

# Shooting verdict angers Cuba

Cuba has reacted with fury to a report by the International Civil Aviation Organisation (ICAO), which says Hayana shot down two US aircraft in February over international waters and without proper warnings. A senior Cuban official, Mr Ricardo Alarcon, said the ICAO report, the result of a three-month investigation by the Montreal-based UN body, contained "US lies and fabrications".

Mr Alarcon said the report failed to take into account Cuba's version of the February 24 incident. Havana said a Cuban Mig downed the two small planes over Cuban waters after months of similar violations by a Miami-based Cuban exile pilots' group. The UN Security Council ordered the investigation into the loss of the aircraft, which led Washington to tighten its embargo against Cuba. Pascal Fletcher, Hovan

# Bangladesh poll result accepted

The Bangladesh Nationalist party (BNP) of former prime minister Mrs Begum Khaleda Zia yesterday accepted the result of last week's election, saying it would take its place in parliament. "We will join parliament to help sustain democracy and ensure continuity of the constitution," a BNP

Farmers disembark cattle from a barge on the Seine in central Paris yesterday. The inscription reads 'Leave our breeders alone'

# Changes at top of Enel

Italy's centre-left government yesterday appointed an environmentalist and former communist as chairman of Enel. the state-owned electricity company, and prepared to replace its chief executive with a noted cost-cutter recruited from Mr Silvio Berlusconi's

publishing company. The odd couple are Mr Chicco Testa, 44. currently chairman of Acea, Rome's public-sector energy and water company, and Mr Franco Tatò. 64, chief executive of Mondadori. They will have the task of bringing Enel to the market later this year or early next, in what is likely to be one of the

largest state sell-offs to date. The boardroom reshuffle followed a fierce debate between liberal and conservative wings of the government. The liberalising left wing was thwarted earlier this month in its efforts to replace the senior management of Stet, the state-con-trolled telecoms holding company, ahead of further

privatisation. At yesterday's Enel shareholder meeting, Mr Testa, who used to head Italy's main environmental movement, was appointed to replace Mr Franco Viezzoli, chairman since 1987. Mr Tato was named a direc-

tor and is likely to be appointed chief executive at the first meeting of the new board. He will replace Mr Alfonso Limbruno, who has spent his entire career in the

Limbruno was named deputy chairman, partly to ensure continuity in the run-up to privati-

Earlier this week the industry ministry named the experts who will head the new regulatory authority for the electric-

The main influence on Enel's future management is likely to come from Mr Tatò, best known for cutting costs at Fininvest. Mr Berlusconi's private holding company, when he was chief executive from 1993 to 1995. He then moved full-time to Mondadori, the quoted pub-

lisher controlled by Fininvest. But analysts said yesterday that attempts to overhaul Enel could be blunted by Mr Testa, a former deputy with the ex-Communist PDS, whose appointment was backed by the CGIL. Italy's biggest union. The CGIL represents about

half Enel's 100,000 employees. Mr Testa said he was pleased to be joining Enel at a time "of great change...and great opportunity", which included the "challenge of restructuring the electricity sector". According to press reports, his appointment was resisted by some members of the cabinet,

including Mr Carlo Azeglio Clampi, the treasury minister. Enel, one of the world's largest integrated electricity production and distribution companies, is wholly owned by the treasury, and reported a slight decline in group net profit last year to L2.326bn (\$1.4bn).

Bremer Vulkan's former head faces trial for breach of trust

Hennemann in jail as police try to track down missing public funds

former chairman of Bremer Vulkan, Germany's largest shipbuilding group, will not be items confiscated in the raid spending this weekend in had persuaded a judge to either of his two large homes awaiting trial for breach of

Mr Hennemann, a former pharmacist turned businessman, was detained on Thursday following a police raid the previous day on his homes and the offices of Bremer Vulkan's former management.

The 80 police, including 59 officers from the federal criminal department, had spent months planning the raids. They wanted to establish once and for all what had happened to more than DM850m (\$560m) of public funds which Mr Hennemann, when chairman of Bremer Vulkan, was given to invest in three east German shipyards he bought in 1992.

According to Bremen's public prosecutor's office, the police found Mr Hennemann trying to flush bits of paper down the toilet. And they found an air ticket to the US, although Mr Hennemann denied he was preparing to flee the country. Through his law-yers, he said the ticket was for working trip as part of his job as a consultant, a profession he turned to after being dismissed as Bremer Vulkan's chairman last autumn.

The prosecutor's office said the investigators also found bank receipts showing Mr Hennemann had more than DMlm in Swiss and Luxembourg accounts. They also found envelopes containing DM120,000 in cash. "He wanted to leave his wife some money to cover daily expenses," said

Mr Friedrich Hennemann, the Mr Hans Janknecht, the prose-

Mr Jahnknecht said the charged with privatising east German industry, which had

sold him the shipyards. But both Bremen's public prosecutor and the Treuhand are also awaiting the release of a report recently completed by the federal auditing office, an



Mr Friedrich Hennemann: held after police raids

independent watchdog which monitors how public funds are

That report is now with the budget committee of the Bundestag, or lower house of parlia-ment, which will discuss it next week. The Frankfurter Rundschau daily newspaper reported yesterday that it contained some harsh criticism of the Treuhand, particularly over the way the agency failed to keep track of the public funds granted to Mr Henne-

mann to refurbish the east east Germans: always com-German shipyards. When the Treuhand sold the yards to Mr Hennemann, it finance ministry could hardly

hailed the deal as a coup. The charge Mr Hennemann with agency had been under presbreach of trust in his dealings - sure to find a buyer, and Mr with the Treuhand, the agency Hennemann's offer - investment pledges totalling DM1.5bn - was too good to ignore. In return, Bremer Vulkan was to receive more than DM1.2bn of publicly-funded grants agreed by the federal finance ministry and the European Commission to modernise the shipyards.

However, some people were deeply sceptical about the deal. A senior banker based in the east German port of Rostock was critical of the sale from the outset. "I warned the Treuhand people there would be trouble both with Bremer Vulkan's own finances and with the promises Hennemann had made about the east German yards. They did not want to listen," he said.

The government of the eastern state of Mecklenburg-Vorpommern, where the shipyards are situated, was equally sceptical. In an attempt to minimise risk, it had managed to prevent the Treuhand from selling the region's entire shipbuilding sector to Bremer Vulkan and persuaded it to split the yards

among different owners.
"We started complaining two years ago to the Treuhand," an official from Mecklenburg-Vorpommern's economics ministry explained. "But the agency ignored us. We said the investments were not coming through on time and there had been shortfalls in the amounts promised

"But the Treuhand thought we were, in their view, typical ignore what happened last September when Mr Hennemann said Bremer Vulkan expected

But the Treuhand and the

losses of DM200m for 1995. Three months later, the losses soared above DM1bn in addition to outstanding bank loans of DM2bn. By last February, the new management of Bremer Vulkan was forced to apply for protection from its Only then did the Trenhand concede the possibility that,

under Mr Hennemann's management, Bremer Vulkan had siphoned off DM850m of public money, which had been due to the east German yards, to the mother company in an effort to find capital to finance orders. Since then, the east German yards have been hived off from the mother company and placed under state control, waiting to be resold. A rescue plan for the shipyards in Bremen and its 20,000 workforce has yet to be agreed.

"(Mr Hennemann) seems to feel no shame, nor does he want to accept any responsibil-ity for this mess," said Mr Wolfgang Dettmer, a member of Bremer Vulkan's workers' council. "In fact, no one, from the Treuhand to the banks, is taking responsibility. Everyone is passing the buck."
The banker in Rostock said:

"I didn't expect anything else. Nobody was willing to scrutinise Bremer Vulkan's accounts properly. Hennemann sensed this and thought he could get away with it. Thank heavens we didn't lend him a penny."

Bundestag votes to relax

Judy Dempsey

### Daimler-Benz Aktiengesellschaft Stuttgart Securities Code 550 000 NOTICE on the conversion of the minimum par value

of shares to DM 5 and on the respective adjustment of the stock exchange quotation

The Ordinary General Meeting of our company on May 22, 1996 resolved, among other things, to redenominate the share capital by converting the par value of part of the shares in issue from DM 50 to DM 5. The amendment to the Articles of Association was registered on June 4, 1996 in the Commercial Register at the District Court of Stuttgart.

The redenomination of share capital and the conversion of the minimum par value of shares from DM 50 to DM 5 also necessitate the adjustment of the official quotation of the shares. Trading with official quotation of the shares of Daimler-Benz AG (securities code 550 000) will be converted with effect from July 1, 1996 from the present unit of DM 50 to the new unit of DM 5 per share. The continuous quotation of Daimler-Benz shares at the German stock exchanges will take place as from that date in minimum trades of 100 shares of DM 5 par value, or in multiples

The banks will convert shares of Daimler-Benz AG held in custody accounts on June 28, 1996 in the evening, at 10 for 1. The custody account conversion is free of charge for shareholders. It will not be necessary to exchange shares.

The printing of new share certificates with a per value of DM 5 has been initiated. The delivery of separate certificates for DM 5 shares will not be possible until these new certificates are available, probably in autumn 1996.

Stuttoart, June 1996

Board of Management

# Spain threatens **Thomson-CSF**

By David White in Madrid

Spain yesterday threatened retaliation against Thomson-CSF in a dispute over its participation in a Spanish electronics company.

The French state-controlled defence group is believed to be challenging the accounts of the Spanish company, Indra, following a deal last year in which it agreed to pay Pta3.01bn (\$23.5m) for a 24.9 per cent shareholding.
Indra. controlled by the

Spanish government, is the main Spanish company in the defence electronics field. Its deal with Thomson is regarded as vital for breaking into international markets and widening its product range. Spain's new centre-right gov-

terday saying that if the argument over Indra's accounts was not resolved quickly, the ministries of industry and defence were "ready to reconsider the Indra-Thomson agreement and the relations the latter group maintains in the Spanish defence sector".

The note said that whatever the outcome Thomson must show its commitment to the Spanish company's future. The quarrel is reported to have arisen from an audit com-

missioned by the French company from Arthur Andersen showing a 1995 loss at the Spanish company instead of the previously announced profit of Pta529m. The Spanish state holding company Téneo says the profit was in line with accounting principles approved ernment issued a curt note yes- by KPMG Peat Marwick.

# law on shopping hours

Efforts to liberalise the German economy, one of the

world's mostly tightly regu-lated, made significant headway yesterday when the Bundestag, the lower house of parliament, narrowly passed a long-awaited law relaxing shop opening hours. A packed parliament voted

327 to 321 with 3 abstentions a month.

to approve a law allowing shops to stay open until 8pm on weekdays and 4pm on Saturdays, the most significant change to the 1956 law which introduced one of Europe's most restrictive shopping regimes. Until to now shops closed at 6.30pm on weekdays and at 2pm on three Saturdays

Chancellor Helmut Kohl's that seven would not extend

Christian Democratic Union, which has been wrangling over the law for months because of fears of widespread opposition from small shopowners, turned out in force to ontvote the opposition Social Democrats and Greens.

However, while the new law has come to be regarded as a litmus test for Germany's ability to liberalise its economy at a time of record post-war unemployment, there was little indication yesterday that the law would lead to much rapid change. Department stores, which

and out-of-town shopping centres are likely to take advantage of the longer hours. But a straw poll of eight shops in central Bonn showed

have lost sales in recent years.

their opening bours. The manager of one shop, a small supermarket, said he would probably have to stay open longer but that "economically it made absolutely no sense because whatever higher sales there might be would be offset by higher personnel costs.

Opposition politicians said the changes meant the death of the Mittelstand retailers, the small family-run shops which could not to compete with bigger retail chains. However, one of the biggest associations representing the Mittelstand said the shop hours law should be scrapped entirely.

The law now goes to the Bundesrat, the upper house. where it may be rejected. If it is, Mr Kohl's government could push it through with its

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By David Gardner and James Whittington in Cairo

Arab leaders meeting in Cairo this weekend will tell Israel they remain committed to the "strategic option" of peace in the Middle East, while sending a clear message to the new hardline government of Mr Benjamin Netanyahu that a regional settlement requires Israel to return all occupied Arab lands.

In the first full summit in six years, 20 Arab governments will call on Mr Netanyahu, the Israeli prime minister, to reconsider the programme he announced on assuming office this week which rules out the "land for peace" formula which has underpinned the past five years of Arab-Israeli peace

The draft communiqué for the summit, which concludes tomorrow, states that peace will require Israel to return all Arab land conquered from the 1967 Arab-Israeli war onwards. including East Jerusalem. Syria's Golan Heights, and south Lebanon. It also calls on Israel to recognise the Palestinians' right to self-determina-

en an Wa

on Malaye

As one of the drafters of the summit conclusions paraphrased it, Israel is being told: "You're either in or you're out.



Faris Bouez (left), Lebanese foreign minister, with Abdul-Aziz al-Dakhil, Kuwaiti planning minister, at the Cairo meeting yesterday

answer, but if you're in you will find a partner."

Arriving Arab delegates

were united in declaring that the new Israeli government's policy threatened to destroy the still fragile rapprochement in the region, but emphasised they were not threatening Israel.

"We do not want to jump to

Amr Moussa, Egypt's foreign minister. "There'll be no mes-sage of a threat or warning. It will be a very clear position that it takes two partners to make peace.

in Jerusalem, however, Israel's new government is viewing the closing of Arab ranks with hostility and warned that peace was made through negotiations, not pres-

sure. "Peace is not reached through threats," said Mr David Levy, Israeli foreign minister. "There is no need to pressure Israel so that it will carry out its desire for peace. There are problems which must be clarified in an open

The communiqué emphasises that the land-for-peace formula is the international

legal basis which underpinned successive United Nations Security Council resolutions. the Madrid peace conference of 1991, and the peace accords Israel has reached with Egypt, the Palestinians and Jordan. It appeals to the international sponsors of the peace process the US, Russia, and the Euro pean Union - to guarantee that neace negotiations with Israel continue on the same agreed

Arab diplomats are particularly concerned about the new Israeli government's pledge to resume the expansion of Jewish settlements on Palestinian land in the West Bank and in and around Arab East Jerusalem. "The building of settlements is not only an obstacle to peace but an illegal act," Mr Moussa pointed out.

Syria is calling for a halt to any further Arab diplomatic and trade links with Israel until there is firm progress towards peace. Although this demand to stop "normalisation" was not in the communiqué yesterday, one senior Arab official said: "There will be a much larger problem if the peace process breaks down. This thing will blow up in all our faces. You won't be able to

Japan's ministry of finance. normalise anyway.' He added: "I truly believe we are in deep trouble if we don't which determines tax policy, is expected finally to accept inter-

national judgment and revise its liquor tax system to comply with the WTO decision, expected soon. "For us, liquor tax reform would be extremely beneficial. It's an excellent opportunity for whisky producers," says Mr

regular customers keep bottles

Since the Japanese economy

suffered its worst post-war

downturn, whisky producers

have had a particularly diffi-

cult time encouraging consum-

ers to take a swig of Scotch on

attitudes which has encour-

drink cheaper spirits at home,

and a high tax regime that dis-

Organisation that the Japanese

government must end its dis-criminatory tax regime will

help revive their fortunes in

the Japanese market, the sec-

ond largest for European pro-ducers outside the European

over the past six years.

rule.

the rocks.

Mungo Gilchrist, marketing director of Jardine Wines and Spirits, and chairman of the European business community's liquor committee in Japan. The WTO ruling will come nine years after a panel of the General Agreement on Tariffs

liquor tax regime discriminates against imported spirits in favour of domestic products. In response to the Gatt ruling, the ministry of finance raised taxes on shochu - a Japanese white spirit made mainly

from potatoes - and abolished whisky tax differentials. Nevertheless, whisky and

than shochu despite persistent pressure by both foreign and domestic whisky producers. bar in Tokyo's Ginza district, more than 200

The authorities used to

whisky producers' spirits

of their favourite whisky with assert that shochu could not be their name written on the taxed as much as other spirits label, from which they are as it was made mainly by small, independent distillers Although the bar has not struggling to stay in business. seen its customer numbers But today the biggest producdecline during the recession, it ers are large companies like is more the exception than the Takara Shuzo, which had sales of Y192bn (\$1.8bn) in the last

fiscal year.

Producers have no doubt that an unfair tax regime has stunted the growth of the whisky market in Japan, where shochu accounted for 77 per cent of distilled spirits consumption last year.

The recession, a change in Domestic producers, in paraged Japanese consumers to ticular, are upset that the tax differential with shochu has remained even after taxes on lower grade whiskies were raised. Sales of domestic seccriminates against whisky have combined to hit sales ond grade whisky - which But producers are hoping a ruling by the World Trade

'We feel that if we are given a level playing field we can compete

competes more directly with shochu because of its lower price - have fallen 41 per cent since the tax rate nearly tripled with the equalisation of whisky taxes. "It is clear that consumers

switched to shochu at the time taxes [on lower grade whisky] were raised," says a representative of Suntory, one of Japan's largest whisky producers, which also makes shochu. However, whisky producers and Trade ruled that Japan's admit there are other forces at

> The recession, for example, has aggravated the impact of the tax differential on con-

sumer choice. A survey conducted by Suntory has shown that many people want to drink whisky but are choosing shochu because of the difference in price. While a bottle of shochu can cost as little as Y500, no brand of

Y1,000. The spectacular growth of the shochu market, from about 12m cases before Japan's economic bubble burst to about 75m cases today, is proof enough that consumers have reacted to price, notes Mr Gil-

The economic downturn has also affected lifestyles and customs, which has worked against whisky sales.

Fewer people head to the bars and night clubs for a whisky and soda after work, preferring instead to go home for a glass of beer or shochu.

The long economic downturn has also meant that institutionalised gift-giving at the year-end and in mid-summer is on the decline. Whisky used to be a common gift.

But the economic gloom does not explain it all; Japan may also be following North America and Europe in seeing tastes diversifying.

There was a strong swing from brown spirits to white spirits in North America and Europe in the 1970s. Mr Gilchrist says. This was largely due to health concerns - white spirits are generally consumed with other liquids and are therefore seen to be less alco-

In Japan, the whisky boom of the 1960s has been followed by growth not only in shochu, but in drinks such as wine, gin and vodka. The shift has as much to do with the falling prices of these drinks, due to a surge in parallel imports and discount stores, as with the growth of restaurants catering

to a wide range of tastes. "It is difficult to tell whether there is room for whisky to come back to the market," a Suntory official concedes, "But we feel that if we are given a level playing field we can com-

Mr Gilchrist is confident that when the tax discrimination is corrected there will be an adjustment in the drinks sec-

But that would be a problem for businessmen. After the government introduces fair taxation "it is up to successful marketing by companies". individual

Michiyo Nakamoto

# Netanyahu clips wings of Likud's hawk

By Hene Prusher in Jerusalem

Mr Ariel Sharon, the bawkish former defence minister who used his influence to assure Mr Beniamin Netanyahu's place as the Israeli right's candidate for prime minister, is now finding he is losing his control over their domains.

The doyen of the rightwing Likud party still has no ministry, several days after Mr Netanyahu formed a government and introduced his cabi-

Now, after the messy tussle to form a cabinet, party pressures have forced Mr Netanvabu to scrape together a new ministry tailored for Mr Sharon. The problem is that the new National Infrastructure Ministry would have an amalgam of duties, taken from at least four existing ministries. And several of Mr Netanyahu's ministers, some of them tasting power for the first time. are unwilling to relinquish

At best Mr Sharon would gain responsibilities from the agriculture, construction and housing, energy and transport

But the men now holding the keys to those offices leaders of nationalist and religious parties - are not interested in sharing them. Some have threatened to leave the

governing coalition if their influence is reduced.

According to sources close to the prime minister, Mr Sharon has only himself to blame. After Mr Netanyahu's election victory, on a pledge to pursue a tougher approach to Middle East peace, Mr Sharon was offered the housing ministry.

Mr Sharon turned down the offer, considered a prize for the architect of Jewish settlement expansion in the West Bank and Gaza, to hold out for a more powerful ministry which he felt he was entitled

He then changed his mind. but it was too late. Mr Netanyahu offered the post of deputy minister elsewhere, while holding the ministry for him-

But Mr Sharon could not be left sulking outside the cabinet room doors. The snub by Mr Netanyahu, more than 20 years Mr Sharon's junior, was unacceptable to some of the party faithful, while advisers warned that Mr Sharon might stir up trouble among his farright followers.

rectly responsible for allowing Christian militiamen to massacre Palestinians during the Lebanese war. More recently. he held rallies with Jewish settlers in the West Bank town of

Mr Sharon was found indi-

Israel would never leave. Refusing to shift into diplomatic mode after Mr Netanyahu's election victory, Mr Sharon took to the airwaves and described Mr Yassir Arafat as "murderer".

Mr Sharon takes credit for helping Mr Netanyahu defeat Mr Shimon Peres, former prime minister. But while Mr Sharon may have been an asset in conservative circles when Mr Netanyahu was a candidate, the former army commander is clearly a liability for the new prime minister's image abroad

This does not help Mr Sharon's prospects of securing an brandy are still taxed between important ministry. four and seven times more

# HELLENIC TELECOMMUNICATIONS ORGANISATION S.A.

Condensed Financial Statements Prepared under International Accounting Standards for fiscal years ended December 31, 1995 and 1994 (in millions of Greek Drachmae)

|   |                  |                                      | BALANC                        | E SHEETS   |  | <del></del>  |
|---|------------------|--------------------------------------|-------------------------------|--|--|--|
| Assets  |                  | 1995                                 | 1994                          | Liabilities & Shareholder's Investment   | 1995   | 1994   |
| Intangible Assets Fixed Assets Property and equipment Less-Depreciation |                  | 14,289<br>1,317,441<br>(491,443)     | 1,182,987<br>(421,520)        | Shareholder's investment Capital Reserves and retained earnings  | 298,488<br>130,650<br>429,138                  | 298,488<br>46,745<br>345,233                               |
|   |                  | 825,998                              | 761,467                       | Subsidies, net of amortization   | 108,615  | 108,316  |
| Deferred tax assets   |                  | 53,300                               | 51,000                        | Long-term debt   | 123,783  | 76,441   |
| Other long-term assets  |                  | 38,123                               | 40,017                        | Reserves for staff retirement and other employee benefits  | 138,591  | 141,056  |
| Current Assets Accounts receivable                                      |                  | 147,590<br>8,328                     | 112,526<br>8,396              | Other long-term liabilities  | 24,379   | 11,069   |
| Materials and supplies Other current assets                             |                  | 37,798<br>193,716                    | 24,577<br>145,499             | Current Liabilities  Bank loans and overdrafts  Accounts payable  Income taxes payable  Dividends  Other current liabilities | 99,726<br>47,709<br>44,069<br>43,860<br>65,556 | 112,225<br>47,432<br>52,935<br>45,425<br>57,851<br>315,868 |
|   |                  | 1,125,426                            | 997,983                       |  | 1,125,426                                      | 997,983  |
| ······································                                  | STATEMENTS OF OP | ERATIONS                             |                               | MOVEMENT IN SHAR   | EHOLDER'S INVESTMENT                           | Γ<br>  |
| <u></u>   |                  | 1995                                 | 1994                          |  | 1995   | 1994   |
| Operating revenues  |                  | 593,033                              | 481,629<br>(319,745)          | Net profit for the year  | 138.765  | 97.658   |
| Operating expenses  |                  | (356,062)                            | 161,884                       | Dividends  | (54,860)                                       | (45,425)   |
| Financial, expenses, net<br>Extraordinary gain<br>Income taxes          |                  | 236,971<br>(16,596)<br>0<br>(81,610) | (17,458)<br>7,000<br>(53.768) | Opening shareholder's investment   | 345,233  | 293,000  |
| Net profit  |                  | 138.765                              | 97,658                        | Closing shareholder's investment   | 429,138  | 345,233  |

Note: OTE prepares and publishes financial statements in accordance with both Greek Statutory requirements and International Accounting Standards (IAS). The major differences between Statutory and IAS financial statements relate to the accounting of staff retirement and other employee benefits, subsidies and deferred income taxes.

The IAS financial statements for the fiscal years ended December 31, 1995 and 1994 have been audited by Independent public accountants, whose report thereon includes an exception, as a sufficiently detailed fixed asset register for telecommunication equipment and installations is not maintained. However, OTE is currently in the process of establishing such a register.

The Chairman of the Board of Directors

D. Papoulias

The Managing Director P. Lambrou

The Director General Finance Ch. Kazantzis

The Director of Financial Services L Kartsonas

# Seagate fights \$300m damages suit

By Alan Cane, John Mason and Keith Rodgers

Amstrad, the UK-based consumer electronics group, resumes a £200m (\$306m) battle for damages at the High Court next week in a dispute with one of the world's leading computer component manufactur-ers, Seagate Technology.

Amstrad claims that Seagate supplied it with faulty hard disk drives for its computers in

The European Union agreed

yesterday to increase compen-

sation to beef producers

affected by the crisis over bovine spongiform encephalo-pathy to Ecu850m (\$1,050) from

the existing Ecu650m. Mr Piero Fassino, deputy for-

eign minister of Italy - which currently holds the rotating

EU presidency - announced the Ecu200m increase in aid at

the summit in Florence. "The

European Council underlines

the importance of adequate

support for producers that are

seriously affected by the drop in consumption of beef and the

effect on the market price," he

The increase in compensa-

tion, directed at farmers across the EU, followed protests by

French producers calling for

extra funds. The EU, which

has already spent all of its

cash for this year, is consider-

ing a cut in aid payments to

big grain producers to pay for

the additional beef compensa-

tion. This could be discussed at

Attracting major companies is one way to test

impressed it increases its investment there.

So thanks. Kodak, for the compliment,

But the ultimate compliment is when a company is so

After nearly 50 years on Merseyside, the American

giant decided to re-invest and expand here, making it

their biggest chemicals operation in Europe. They have

found the operation to have one of the most productive

workforces of any of their plants in Europe, and the

'There is a sense of energy and

but three Training and Enterprise Councils? The number of good sites? One of the most sophisticated

telecommunications systems in Europe?

to pool their knowledge of the region? Well, yes, yes, yes, yes and yes.

12% higher than the national average.

new management systems.

a perfect 100%.

one thing's for certain.

than Merseyside.

level of job applicants is always of the highest quality.

'can-do' mentality in our workforce

which mirrors our own philosophy."

So what's so special about Merseyside? The grants at local, national and European Union levels? Not one

The co-operation between new and existing investors

But there's something on Merseyside only Merseyside can ever have - one and a half million Merseysiders. As existing investors like Barclays, Ford, QVC and General Motors have discovered, the people here have adaptability and enthusiasm running in their veins. They've taken to training and retraining with a

vengeance. Contributing to productivity levels that are

"New working practices have been implemented quickly and efficiently." And the workforce at Kodak? They've an enviable reputation for meeting quality standards and adopting

For instance, a new business development of supplying photographic materials to hundreds of mini-labs throughout the UK has already achieved a Perfect Delivery level of 98% OTIFNE (On Time, In Full, No

Errors) when 90% is regarded as excellent. They are

not however resting on their laurels as they strive for

That's why Kodak has poured an extra £20 million into

So whether you're in the photographic business or not,

their Kirkby plant in the last 18 months.

Developing companies need look no further

the key to Amstrad's efforts to move beyond its traditional high volume consumer sales and break into the corporate market. But problems with the machines meant they acquired an "awful" reputation, the court has heard.

Amstrad recalled 7,000 PCs from the PC2000 range in 1989, and later took an exceptional charge of £20.4m against the faulty machines. It is sepa-rately suing a second US disk drive maker. Western Digital.

next week's EU agriculture

council meeting.
The EU pays out Ecul5bn a

year in so-called arable aid

payments to cereals producers

in return for a cut in support prices agreed as part of the 1992 reforms of the Common

Agricultural Policy. However,

world grain shortages have seen prices double since then,

**British farmers** 

expect generous

agreeing to the

destruction of

additional cattle

leaving the EU in the anoma-

lous position of supporting

some of the wealthiest farmers

in Europe. "It has become

harder to justify continuing

those aid payments with prices at this level," a commission

Britain are worth £266 per

Arable aid payments in

OUR £20 N

official said.

compensation for

in a case due to be heard in the US early next year.

Seagate is the world's largest manufacturer of hard disk drives used to store data in personal computer and workstations. Yesterday it said it was unable to comment on Amstrad's allegations because of the court proceedings.

The case began two months ago. Mr Alan Sugar, Amstrad chairman, has already given evidence along with several senior Amstrad executives.

hectare - at the time of CAP

reform the commission expec-

ted wheat prices to fall to £80 a

tonne, but instead they have

risen to £119 a tonne. The com-

mission has also agreed to cut the amount of land it forces

farmers to leave idle from 10

per cent to 5 per cent, leaving

them free to take advantage of

higher grain prices. British farmers stressed yes-

terday they would expect gen-

erous compensation for agree-ing to the destruction of additional cattle in return for

securing a deal to lift the beef

ban. Farmers will have to vol-

unteer cattle born between

1989 and 1990 because records

do not go back that far, and

the government recognises the

need for high compensation.

Farmers are looking for payments to make up lost milk production as well as the cost

of replacing prime milking cows from their herds. They

believe compensation will have

to be worked out on an individ-

ual basis and are meeting this

ON MERSEYSTREMENT

weekend to decide on guide-

The case has focused on sales, marketing and technical issues surrounding the drives and other computer components. Earlier in the hearing, Amstrad's former group sales and marketing director, Mr Malcolm Miller, said the company "would be in a different shape" if the machines had been reliable and customers had not experienced problems with the hard disk.

In a writ issued against Sea-

gate Technology Inc. and Sea-

gate Technology Singapore PTE Ltd in 1992, Amstrad is claiming damages for breach of contract, breach of warranty breach of collateral contract, misrepresentation and negligence relating to the sale of around 56,560 ST277R hard disk

### drives. The claims include allegations that Seagate sold faulty drives and misrepre-sented the causes of the problems experienced with the computers in which the drives were installed

# Grain aid cuts may allow | Irish police find beef compensation boost mortars at farm

in Dublin

The war of words between the Féin, the Irish Republican Army's political wing, intensified yesterday. Mr John Bruton, the prime minister, accused the republican movement of "manufacturing weapons of death" after police seized six suspects in a raid on a farm in County Laois.

The arrest of what appears to be an active IRA bombmaking unit, together with the seizure of "in excess of a dozen" mortars and timing devices, has further undermined the credibility of the Sinn Pein leadership, bolstering the insistence of both the UK and Irish governments that the party should not be allowed to join the all-party talks without an unequivocal restoration of the IRA's cease-

Mr Bruton, who held a meeting with Mr John Major, the UK prime minister, in the margins of the European Union

ummit in Florence: said Sinn Féin's professions of peace were "incompatible" with the arms find, which he described as "most important".

The seizure is part of a two-week search in the wake of the murder of an Irish detective. A third man appeared in a Dublin court vesterday in connection with the killing of the

The Irish police are understood to have extended their operation yesterday to County Meath and the border area next to Northern Ireland. An official said there were indications that the IRA was moving ordnance from caches in the south-west of the republic nearer to the border with the North, raising fears about a possible resumption of its terror campaign in Northern

Mr Charlie Flanagan, a member of the republic's parliament in Mr Bruton's Fine Gael party, said: "Who is to say that the Manchester bomb was not assembled in some part of the

# Kick-off for Spain's soccer diplomacy

By Jimmy Burns

Don Alberto Aza Arias, Spain's ambassador to the UK, is widely respected as one of London's most experienced and talented senior diplomats, well trained in crisis manage-ment. But today's clash at the Wembley stadium between Spain and England in soccer's Euro 96 quarter finals threatens to introduce a tense note in a leisurely week other-wise spent largely in the hos-pitality tents at the Ascot race-

Just when Anglo-Spanish relations seemed to be getting over the traumas of fish wars and Gibraltar – not to men-tion the "beef" word – the match has fuelled the kind of popular anti-Spanish jingoism last recorded when the Duke Of Medina Sidonia failed to lead his invading Armada to

triumph in 1588. "This kind of thing tends to simplify reality and create a bad climate between our nations; it plays on the feelings of an intellectually vulnerable sector of the population who have basic instincts," mused Don Alberto yesterday during a period of quiet reflection in an otherwise hectic

He had woken up to the latest bombardment from England's tabloid press. Britain's best-selling daily paper, The Sun, devoted a page to six topless "patriotic lovelies" who, it said, were determined to give Spain and its allegedly macho culture an emphatic brush-off.

The rival Daily Mirror set the tone on Thursday with a picture of a bullfighter about to be beheaded in the Tower of London and the headline "You're done Juan". Next, it provided readers with a list of the ten "nasties Spain's given Europe".

European Union ministers meeting in Florence may like to know that these include syphilis ("brought back by Columbus from Central America"), and Franco ("fat dictator with silly moustache").

But Don Alberto had other potential problems on his hands, not least how to find a ticket for today's game for Prince Felipe, heir to the Spanish throne.

Back on the high travel company Thomas Cook was hoping to take advantage of the game to raise the profile of its number one European holiday destination. Today it will offer a no commission charge on exchanges of pounds

England are favourites for the match with bookmakers William Hill predicting an English victory could spark off a £80m soccer betting bonanza, making Euro 96 the biggest of all betting events. Don Alberto was making no

firm predictions.

UK NEWS DIGEST

# **Asylum benefit** halt 'unlawful'

The government was dealt a humiliating blow yesterday when the Court of Appeal struck down a decision by Mr Peter Lilley, the social security secretary, to remove the right to benefits from asylum seekers. By a two-to-one majority, the court ruled that Mr Lilley's plans, which have generated political controversy since first being announced at last October's Conservative party conference, were unlawful because they rendered

the rights of asylum seekers "nugatory".

The judgment, which reverses an earlier High Court ruling upholding the policy, is the latest in a series of judicial setbacks for the government. It is a particular embarrassment for Mr Lilley, who had strongly defended the changes and will now have to find an extra £200m (\$306m) in the social security budget to pay the necessary benefits to those affected,

However, Mr Lilley said the judgment should not obscure the fact that over 90 per cent of all claimants were found not to be genuine refugees. "The court's suggestion that a tiny minority of genuine claimants could become destitute by the regulations parliament approved was purely theoretical," he said. "I very much fear that if the law is left as it stands today we can see a fresh flood of bogus claimants."

Figures released by the Home Office last mouth showed that the number of asylum seekers had fallen by 20 per cent since the benefit cuts were formally instituted in February. In 1995 there were 44,000 applications for asylum.

Mark Suzman and James Blitz, Landon

### Warner opens animation studio



Warner Bros. the Hollywood film company, is opening a state of the art animation studio in London as part of its strategy of increasing its UK production facilities. The new studio, will employ 70 "pencils", as animation experts are called in the film industry. One of the studio's first projects will be to complete Space Jam, an animated film featuring *Loony Tunes* char-acters like Bugs Bunny (left) due for release this autumn It will then work on The

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Quest For Camelot, an Arthurian adventure film due out next year. Warner, like other Hollywood film companies, is intent on making more animated features, a field traditionally dominated by Walt Disney. Animation is one of the most lucrative areas of the film industry as the potential for bolstering box office receipts with video and merchandise sales is so strong. However the opening of the London studio is also a reflection of the efforts by Warner, and its compatriots, to counter

rising production costs in North America by making more films in Europe, particularly in the UK. Alice Rausthorn, Consumer Industries Staff Hollywood's excesses, Page 9, Weekend, Page I

# Faster transfer to Crest planned

The London Stock Exchange plans to pay off the three biggest share registrars to get them to speed up processing of stock transfers during the transition to the new Crest electronic settlement system. The exchange said it would pay for Lloyds Bank, Royal Bank of Scotland and Independent Registrars Group, to set up a special fast track to handle the transfer of stock held on behalf of marketmakers, who deal in shares on their own account, from the old Talisman settlement system

In return, the registrars, who between them handle share registration for companies accounting for 86 per cent of market turnover, have agreed to process these fast track transfers within 24 hours. The deal is intended to get over a bottleneck which had been expected to hamper the transition to Crest,

George Graham, Banking Correspondent

# LSE votes for student fees

A decisive step towards the ending of free university tuition for undergraduate students looks set to be taken soon by the London School of Economics, Britain's leading social science university. The LSE's academic board has voted to back the principle of "top-up fees", paid by undergraduates in addition to the state-funded fee.

If endorsed by the LSE's governors, as appears likely, fees, may be charged from 1997 or 1998. No amount has yet been proposed, but an LSE official noted that a figure of £550 (\$1,300) a year per student would barely cover the loss suffered by the university through recent government funding cuts. Andrew Adonis London

# **BOOKS**







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### **COMPANIES AND FINANCE**

# Real Africa conserves its cash for JCI bid

By Mark Ashurst in Johannesburg

Real Africa Holdings, South Africa's second-largest blackcontrolled company, has passed its dividend for the year to March despite a strong performance from its insurance and industrial interests.

Mr Don Ncube, executive chairman, said the group was conserving its cash reserves pending a bid for Anglo American's 48 per cent stake in JCl. comparable. Earnings per the mining house.

He was satisfied with the progress made in talks with JCI, although plans to form a consortium with trades unions and other black investors remained at a preliminary

Attributable income was R38.6m (\$8.85m), against R5.6m previously. This year's figure

share rose 85 per cent from 9.4 cents to 17.4 cents.

African Life, the insurance group at the hub of a portfolio including mining, tourism, manufacturing and technology, posted an 80 per cent rise in total income and a 98 per cent increase in total assets. Real Africa's interest in

through arrangements with non-voting shareholders. There would be no rights issue from Real Africa to fund Aflife had declined to 45.8 per the acquisition of JCI, said

Bank.

Mr Ncube. If talks were successful, the expansion would be funded "from our own resources or via a combination of instruments".

The total value of Real Africa's listed investments was R738.6m at June 18, compared with a restated total value of R316.4m on March 31

Analysts welcomed the

but said the decision to pass the dividend highlighted the difficulties faced by black businesses in their attempts to raise capital.

Rival New Africa Investments, the country's largest black-controlled company which is bidding for Anglo's stake in Johnnies Industrial Corporation, had doubled its asset value during a revalua-

# ABC president By Christopher Parkes

Walt Disney

appoints new

in Los Angeles

Walt Disney has reinforced its ABC television management with the appointment of Ms Jamie Tarses, a highly-rated programming expert from NBC, the leading US TV network.

She takes over as president of ABC Entertainment immediately, while Mr Ted Harbert, the division's current chief, is promoted to chairman.

The move marks a coup for Disney's top management, which has been preoccupied for much of this year with the task of restoring the ABC network's fortunes

ABC slipped to second place in the 1995 annual ratings and dipped into third place in cru-cial early season samplings

this year. Ms Tarses is credited with developing the prime-time programmes which took NBC to the top of the ratings. These include series such as Friends, Mad About You and Frasier. The expected hiring followed

to split responsibilities between the newcomer and Mr Harbert, whose feathers had been ruffled by lack of consultation over the appointment. Ms Tarses had been concerned to ensure she won as much autonomy as possible in her new job.

She was approached initially by Mr Michael Ovitz, Disney

a week of delicate negotiations

president, the former head of the CAA talent agency whose independent approach to man-agement decision-making has reportedly stirred resentment elsewhere in the orderly structure of the Disney hierarchy. The agreement brokered this week gives Ms Tarses control over development and schedu-

ling of all ABC prime time entertainment, while Mr Harbert will be responsible for business functions and finance. including production.

He also has the tricky task of managing ABC's joint ventures with Disney group rivals such as DreamWorks SKG and Brillstein-Grey, a TV programming

# Sale of AFG stake hits Glaverbel shares

By Neil Buckley in Brussels

Shares in Belgium's Glaverbel, Europe's third-largest glassmaker, fell BFr15 to BFr3,460 after it said it was selling its stake in AFG Industries, North America's second-biggest flat glass maker, to its own majority shareholder Asahi Glass of Japan for BFr9.6bn (\$306m).

Glaverbel decided late on Thursday to exercise its sale option on its 41.76 per cent of common stock, and 36.05 per cent of non-voting preferred stock in Clarity Holdings, which owns AFG.

Mr Luc Willame, Glaverbel managing director, said the sale would strengthen the group's balance sheet and provide funds for other acquisitions. AFG's dividend pros-

cover the financial charges on Glaverbel's stake, he added. The disposal of ordinary shares accounts for about BFr6.3bn, while the preferred stock is worth BFr3.3bn.

for the ordinary shares will be paid to Asahi in three stages: BFr1.2bn immediately in cash, a deferred payment of BFr2.9bn, and an exchange of AFG shares for a portion of

The BFr6.3bn consideration

Asahi's Glaverbel shares. The latter will result in Asahi's holding in Glaverbel falling from about 68 per cent to about 59 per cent ~ although Asahi made clear it planned to retain majority control. The 9 per cent stake will be sold either on the stock exchange, taking the publicly-quoted portion of Glaverbel to about 40 per cent, or to another buyer.

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# Nintendo pins hopes on 64-bit offering

By Michiyo Nakamoto in Tokyo

A deafening silence is the most likely response on Sunday when Nintendo, the leading Japanese maker of video games, launches its much-

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awaited 64-bit machine. Yet Nintendo is counting on the machine to reverse its fading fortunes. Last year the company, which once held more than 90 per cent of the Japanese market for video games, saw its share drop below 50 per cent, according to

Sunday's launch will be a far cry from the frenzy that used to trigger pandemonium at electrical retail stores when Nintendo released new software at the peak of its market

Media commentary on the machine, which will be priced at Y25,000 (\$230), has been muted, despite acclaim for its graphics and advanced features, such as a 3D stick that will enable users to manipulate the characters on screen through 360 degrees.

The wait-and-see attitude has been prompted by the Nintendo 64's troubled history. Its launch was twice delayed, and although the company tried to place some of the blame on a lack of components, the increasingly evident friction between Nintendo and independent software developers raised concerns that the company was having trouble finding attractive software.

Nintendo's insistence on using games cartridges rather than CD-ROMs, which can be made at a fraction of the cost and can hold significantly nore data, discouraged soft-

Square, the software developer which created the mega-hit game "Final Fantasy", decided to develop the latest in the series for Sony's PlayStation, rather than the Nintendo

Other software developers have indicated they may not remain loyal to Nintendo, which has been forced to put the Nintendo 64 on the market with only three software titles to support sales.

Last month Sony cut the price of its PlayStation, its fastest-selling product, to ward off competition from Nintendo But Mr Hiroshi Yamauchi,

president of Nintendo, has no doubts that the company will be able to sell the planned 2.5m units in Japan and overseas by the end of the year. The launch of Super Mario

64, the third game in the highly successful Mario series, to coincide with the sale of Nintendo 64, is expected to attract a substantial number of buyers for the new machine.

# taste for Schlager

GWR, one of the UK's largest commercial radio groups, has moved into the Schlager music market.

Schlager is the most popular

nard, GWR chief executive said yesterday.

comes through the purchase. announced yesterday, of a 60 per cent stake in Radio Edelweiss, a commercial radio station based in Innsbruck, Austria. The station broadcasts to a potential audience of 1m listeners in German-speaking Austria and Italian Tyrol.

"As always we will research

\$1.1m if targets are met. The Company operates 15 FM frequencies in the Tyrol area and in the year to March made £167,643 pre-tax on turnover

of £525.807.

# Mr George Simpson, chief

executive of Lucas Industries, is expected to succeed Lord Arnold Weinstock as managing director of the General Electric Company a few days after GEC's annual meeting. scheduled for September 6. His arrival at GEC's Stanhope Gate headquarters, prob-

than a month earlier than expected, will end Lord Weinstock's 33 years at the head of Britain's biggest manufacburer.

Mr Simpson is now expected to leave Lucas on August 30. That will enable him to oversee completion of the £3.2bn merger of Lucas with Varity Corporation of America to create one of the world's leading ably on September 9, more

A special dividend to sweeten the deal for Lucas shareholders now looks unlikely. The board met yesterday without considering

Simpson expected to succeed Weinstock

cent, from 51 per cent in fiscal

1995, following a R41m equity

subscription by the Interna-

tional Finance Corporation, the

private sector arm of the World

However, Real Africa

retained effective control

any such proposals.

A Lucas official said: "So far as I am aware there has been no request for any special dividend or anything similar." Lucas shareholders will own a majority of the shares in Lucas Varity, which will be

beadquartered in Britain. Mr Victor Rice, chairman of Varity, is set to become chief executive of the merged group.

BBA, the brake-pad manufacturer, was obliged to aban-don plans to mount a hostile bid for Lucas. Now the merger plan has three hurdles to clear. First, Lucas needs to secure Righ Court approvals that will clear the way for publication of a new Stock

Exchange listing document. That is expected to be followed by a special shareholders' meeting, provisionally scheduled for August 9.

For the merger to succeed, 75 per cent of the shares must be voted in favour by those present at the meeting or sending in proxies. Varity, too, approval. No date has yet been

# Moving right along the acquisition trail

Roberto Quarta is getting on with life after the Lucas bid's failure, writes Tim Burt

r Roberto Quarta is unrepentant. The unrepensant combative chief executive of BBA Group, who earlier this month abandoned an audacious £2.4bn bid for Lucas Industries, is back on the acquisition trail.

in fact, he never got off it. Although some industry analysts believe he damaged his reputation by trying unsuccessfully to spoil Lucas's proposed merger with Varity Cor-poration of the US, Mr Quarta is adamant that it was the right deal but at the wrong

He plans to reinforce that message next week when he hosts an analysts visit to Norrköping. The Swedish town is home to

one of the five textile plants acquired last year following BBA's £239m takeover of Holvis, the Swiss non-wovens manufacturer. Some analysts are expecting

the visit to be a bridge-building

exercise, in which Mr Quarta

will face tough questions about his pursuit of Lucas. But the Italian-American, who was once a BTR executive. has other plans. He may well throw down the gauntlet by claiming that he was right to go for the automotive components and aerospace group. And, given the right circumstances, he believes it

have won the support of share-In the event, it didn't because some institutions were unconvinced of the industrial logic - and the price of more than 300p a share necessary for

a knock out blow. "I still think it was a good deal," says Mr Quarta. ' have interests in brakes, electronics and aerospace where Lucas would have made a nat-

Many analysts disagree. But he is undaunted and plans to hold up Fiberweb - the former Holvis textiles arm - as evi-dence of what BBA can do with a company suffering from underinvestment and weak

market share. Citing Fiberweb's improved performance - margins have risen from 5 per cent to more than 10 per cent in a year he says the engineering group has shown that it is a good parent and one that deserves support in its search for new offspring.

Perhaps more importantly, he wants to convince analysts that he is not just a financial That is a myth I want to

dispel. This company is about winning world leading market positions in our chosen fields and building shareholder value. We are not just margin driven," he says.
Some analysts may take a great deal of convincing. While they applaud the turnround at

BBA under Mr Quarta, they still think he has a roving eye for any manufacturer which promises double digit margins. "I still believe he is a financial engineer," says one leading analyst. "He has used a lot of provisions at BBA to get where he is, so it is quite hard to see where the underlying

erowth 18. Nevertheless, most industry observers predict he would have little trouble winning City support for bolt-on acquisitions of up to £500m. Beyond that, however, and some institutional investors might balk at a deal which, like Lucas,

they felt was too big to swallow. Threadneedle Asset Management, which owns 4 per cent of BBA and opposed the proposed Lucas bid, warns that Mr gearing to do so.

Quarta will need to pay more attention to shareholder senti-But now he wants to put Lucas behind him. Instead, he ment before trying another big "Quarta did not walk away

from Lucas because he decided for himself it was not good value," says one Threadneedle fund manager. "He falled because his sharehol would not support him." Another investor, which asked not to be named, added:

"Let's hope he doesn't feel he

takeover.

has to establish his manhood too quickly with another overambitious deal." Mr Quarta rejects such criticism. He points out that eight of the 11 institutions canvassed about Lucas wanted him to do it; and some thought be could

take on more than 100 per cent

is poring over a number of bolt-on acquisitions and also contemplating a new leg to the He is most keen to pursue

Unrepentant: 8 out of 11 investors which expressed a preference thought Roberto Quarta should do it

materials - in which BBA s to be the Euror ket leader - and industrial and medical textiles. The group, currently ungeared, could spend about £350m without bothering shareholders, although that

would push gearing up to about 60 per cent. Mr Roy McGlone, the finance director recruited from BICC's cables business last year, says the group would be prepared to go much higher for a short period.

This is a dynamic company and we have learned a lot from the Lucas affair," he says. For Mr Quarta that means being in control of your own destiny. While he maintains that Lucas would have been those opportunities in friction good for BBA, he admits the timing was poor. Indeed, he savs BBA's na have surfaced had it not been "smoked out" by Lucas.

Now he is concentrating on lifting BBA's share of the North American friction materials market from virtually zero to 10 per cent by the end of the decade. He also wants to push textile interests into Latin America and the Pacific Rim. "We're not slowing down. BBA is still an engineering business that wants to be global; nothing's changed."

# Kalamazoo blames fall on paper prices Trafalgar

By Richard Wolffe, Midlands Correspondent

Margin pressures dented profits at Kalamazoo Computer Group as the company's security printing division suffered "unprecedented" increases in the price of paper as well as

restructuring costs. Pre-tax profits declined 14 per cent to £5.88m on turnover up 10 per cent to £66.7m in the year to March 31. The shares fell 8p to 132p yesterday. However, the company said

recovery in the second half, and was in a good position to widen its markets after investing to develop an international sales channel.

It hopes for more substantial growth in its computer services division after last month's conditional agreement with Datapoint Corporation of the US to buy its European automotive dealer systems (EADS) for £21.8m. The acquisition, to be funded

by a placing and open offer.

complements Kalamazoo's

computer systems to motor dealers, particularly to Ford. Mr Bob Jordan, chairman. said: "The acquisition of EADS marks a major step forward. Kalamazoo will be the leading supplier of dealer management systems in Europe with annual revenue from this market in

excess of £50m. The existing business and infrastructure of EADS will provide the foundation from which the group will launch its products and services throughout Europe and will enhance its ability to achieve preferred sumplier status to leading auto motive manufacturers.

Successful installation of the flagship Elite product for 80 customers helped the computer services division to a 7.5 per cent rise in pre-tax profits to £5.79m (on sales up 10 per cent to £48.3m.

In the security printing division pre-tax profits declined 64 per cent to £897,000 on sales up 8.4 per cent to £18.4m. Earnings per share fell from 11.8 to 10.2p. A final dividend of 3.05p makes a total of 4.15p, compared with 3.75p.

# Electra Inv Tst lifts

By Richard Gourlay

Electra Investment Trust, which provides equity to private companies, raised net asset value 7.9 per cent to 474.74p in the six months to March 31, a period of active investment and portfolio realis-

raised 5 per cent to 3.9p. Pre-

Over a three-year period, Electra's nav has risen 49 per cent, against a 31 per cent rise for the All-Share. The nav figure was adjusted to take account of the trust's

50 per cent interest in Electra

Fleming, which now manages

its portfolio. Last June Robert Fleming, the investment bank, bought a half stake in Electra Kingsway which had managed the Electra portfolio. Electra's stake in Electra Fleming is valued at £16.8m.

from £753m to £850m - consisting of £603m in unlisted and £247m in listed shares. This followed investment of £118m. "the largest amount disbursed in any six-month period in EIT's history by a long way." according to Mr Hugh Mumford, managing director of Electra Fleming. Cash realisations generated £81m.

investment was unlikely to continue as strongly. UK and US markets for private equity investment were increasingly competitive.

# pulls out of land venture By Simon London.

Property Correspondent

House, the joint company set up in 1990, reflects Kvaerner's phased withdrawal from com-

Trafalgar takeover.

The two former partners are repaying about £50m of bank debt which was held off bal-In a separate move, Trafaj-

Brooklands, Surrey. The buyer

is Sony Corporation, the Japanese electronics company

Trafalgar's remaining properties include the Liberty shopping centre in Romford, east London, and large development sites at Baltic Exchange in the City of London, at Chiswick Park, West London, and Paddington Basin, adjacent to

Trafalgar House, conglomerate acquired earlier this year by Kvaerner of Norway, has unwound a £125m property joint venture with Kingfisher, the retail group. The deal to dissolve Marsden

Chartwell Land, Kingfisher's retail property arm, has sold its 50 per cent stake in Marsden House to Trafalgar for £18.2m. In return, Chartwell is buying the retail properties in the portfolio for £20.6m.

gar has agreed to sell for £45m

which occupies the building. Mr Alan Winter, managing director of Trafalgar House Properties, said the company was left with full ownership of eight mainly office properties in London and the south-east. These properties will be sold over the next few months as Trafalgar disposes of its prop-

erty assets, he added.

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# **GWR** finds By Raymond Snoddy

form of music in Germany and Austria and features compah "It's Roger Whittaker with lederhosen." Mr Ralph Bar-

The move into Schlager

the market and give people the music that they like," added Mr Barnard. GWR will pay £1m, part of which is deferred, plus up to

GWR hopes the deal will allow it to apply for further licences in Austria.

# security printing experienced a existing UK business supplying **Cambridge Water** slips back 4%

Annual pre-tax profits at Cambridge Water, the water supply company, fell 4 per cent to £5.14m after a £153,000 charge for converting to a plc.. Costs associated with a new metering programme also helped push operating and administrative costs up 12 per cent in the year to March 31. Sales rose 4 per cent to £15.7m, after a number of new connections and increased demand during the summer. The shares fell 10p to 310p.

The company has supplied more than 2,000 households inhabited by single, elderly people with free meters in the past year. Mr Robert Burgin. managing director, announced yesterday that the programme would be extended to another 3,500 homes this year after the "explosion" of demand. He said the scheme was important for the long-term Earnings per share ros per cent to 25.48p (22.87p).

a question of getting from a conventional type of charging system to one based on volumes without having a revolution overnight." Benefits would follow when heavier water users - households with children, for example - moved in. The company changed its

more liquid market for the shares and to enable it eventually to compete for customers. "Clearly the regulator and government are anxious to facilitate competition and we don't want to stand in their way," said Mr Burgin. The change was accompan-

status to a plc in April in a move intended to provide a

ied by a capital reorganisation. For each £1 share, holders received 20 new ordinary and 25 new non-voting shares. After the restructuring a final dividend of 5p makes a total of 8.89p, up 45 per

Earnings per share rose 11

# net asset value 7.9%

ation. The interim dividend is

tax profits increased to £9.7m (£7.39m), allowing the dividend, unlike last time, to be covered by attributable profits. Mr Michael Stoddart, chairman, said he was pleased Electra continued to outperform the FT-SE-A All-Share index. which had risen by 6.3 per

Electra's total portfolio rose

Mr Stoddart said the pace of

Mr Hamish Buchan, investment trust analyst at NatWest Markets, said the nav by the end of September could be 500p-510p.

Mirror Group

**NEWS DIGEST** 

By Andrew Jack in Paris and Geoff Dyer in London

Eurotunnel is holding meetings with its leading banks this weekend in an attempt to agree an outline refinancing plan ahead of its annual meeting in Paris on Thursday.

Sources close to the talks say that it is unlikely that a plan will be finalised by Thursday. However, they say that an

**Jarvis** 

priced

By David Blackwel

at 175p

through a placing and claw-

back offer that was almost

seven times subscribed and

attracted 25,000 private inves-

tors. Just over 82m shares

have been issued - 46.6 per

Mr John Jarvis, chairman

and chief executive, said yes-terday he was pleased with

progress so far, and was

looking forward to building

the group as a public com-

pany. The strengthened bal-

ance sheet would facilitate

steady growth, initially from

Of the money raised, £60m

will be used to repay bank

debt, and £73.1m to discharge

obligations to existing share-

als were £23m in the year to

March 30, an 18 per cent rise,

on turnover up 13 per cent to

£101.7m. Pro forma pre-tax

£18.6m and a notional divi-

dend of 3.4p would have given

a notional gross yield of 2.4

Following the float the

directors will have 2.9 per cent

of the company after selling

1.7m shares. Candover and

Electra, the venture capital

groups, will have 26.8 per cent

and 11.6 per cent respectively.

SBC Warburg and UBS are

joint sponsors and brokers to

Jarvis has timed its flotation

to perfection, although the

heavy subscription and the

decision to raise the price range only on Wednesday has amonyed some larger institu-

tions. Forecast profits of

£23.5m for the year to March

prospective multiple of 14.5,

close to the market average

but well below recently floated

Millennium & Copthorne and

Macdonald. The discount to

the sector reflects the low tax

charge of about 7.5 per cent, which should be sustainable

for a couple of years at least, and the fact that the venture

capitalists which still own

much of the equity will be able to sell when the shares hit the

market next Friday. Jarvis

looks a well managed group with a sound strategy, so once

seems little to stop the shares

UPF, the vehicle chassis and

components supplier, has acquired Pioneer, a car

exhaust systems manufac-

turer, for £7.5m from HSBC

Private Equity, Royal Develop-

ment Capital and the existing

Pioneer made an operating

moving up to 200p.

**UPF** makes

£7.5m purchase

management team.

30 1997 but the group on a

COMMENT

Dealings begin next Friday.

5,000 to 6,000 rooms.

£56.6m.

per cent.

cent of the issued capital.

agreement is close.

Eurotunnel is under pressure to provide an update on progress in the refinancing talks at the meeting from its shareholders, who fear that any refinancing plan will be against their

However, if the company reveals too much information it runs the risk of antagonising some of its 225 banks, whose

The outline plan is expected to involve the banks initially swapping part of their outstanding £8.8bn debts for an equity stake in the com-

The second part of the plan would involve issuing the banks with a number of financial instruments, such as convertible bonds, which can be converted into further shares if Eurotunnel does not achieve certain revenue targets over a period of time.

It is understood that the maturity and conversion price of these bonds is still being discussed by the company and its leading banks.

The two mediators appointed earlier this year by a French court are also finalising a confidential report on the negotiations, which must be submitted by the end of this

Mr Robert Badinter and Lord

Wakeham must present their report to Judge Jean-Pierre Mattei, head of the Paris comsolution" mercial court, by the time that their initial mandate expires

not expected to make any public statement on their work. However, in an indication that negotiations may not be completed before Thursday's meeting. Judge Mattel said late last week that he would con-

sider extending the contract of

on June 30, although they are

the mediators "if there are reasonable chances of seeing a

The annual meeting promises to be a lively affair, as Eurotunnel was forced this week to change the location after 900 shareholders declared their intention to attend.

The company has been in negotiations with its banks since September when it suspended interest payments on more than £8bn of debt.

# The price of the purchase, while undisclosed, is believed to

buys News Letter

The Mirror Group confirmed vesterday that it is buying a controlling interest in Century Newspapers, publishers of the

News Letter in Northern Ireland.

The paper publishes a free edition in Belfast and a paid-for

edition for the rest of Northern Ireland. Founded in 1737, it

claims the title of the world's oldest English language daily

The Mirror is buying a 90 per cent stake. Sir Ray Tindle of

Century will retain the remaining 10 per cent and will stay on

be less than £5m. However, the deal will involve a total Mirror investment of about £15m, including moving two modern colour presses to Belfast. As well as printing the News Letter the presses will produce Mirror Group titles for all of Ireland once existing printing contracts expire.

The Mirror Group said yesterday that there would be no change to the paper's editorial stance, which has always been robustly pro-Unionist. Mr David Montgomery, chief executive of the Mirror Group, said yesterday: "We are delighted to have this opportunity to strengthen our position in Northern Raymond Snoddy

### Photobition shares fall

the board as non-executive chairman.

Photobition, the graphics group, yesterday reported a 59 per cent rise in full-year pre-tax profits to £2.9m, but saw its shares fall 16p to 373p. Mr Eddie Marchbanks, chairman and chief executive, said

some 20,000 shares had been traded in the morning, and pointed out that the shares were still on "a 40 degree upward trend" since coming to market in February last year at 150p. Earlier in the week they had hit a high of 400p.

Forecasts for the group were downgraded in March from \$3.1m to \$2.9m by analysts at Tether and Greenwood after the

sector reported a disappointing Christmas period. Photobition said yesterday activity had since increased and it was "very happy indeed" with the results for the final

quarter to March 31. Four acquisitions contributed £2.03m to sales of £16.9m (£12m) and £923,000 to trading profit of £8.3m (£5.92m). Earnings per share were 18.7p (15p), paying a final dividend of 3.9p for a total of 6.5p. Ms Louise Barton of house broker

Henderson Crosthwaite forecast profits this year of £4m and Sophy Buckley earnings per share of 25.60.

# Clerical Medical approves bid

Shareholders in Clerical Medical, the life assurer, yesterday approved the agreed bid by Halifax, the building society which is converting to a bank next year.

Nearly 98 per cent of the 138,523 shareholders - out of a total of 500,000 - who voted approved the bid, which was accepted by the Clerical Medical board in March. Subject to court approval, the £300m deal should be finalised

by the end of the year. The acquisition, one of the largest of a UK life assurer, i likely to be Halifax's last before it floats on the Stock Exchange next year. It is part of Halifax's plan to become a

broadly-based provider of personal financial services. Halifax will sell life assurance, pensions and investments through independent advisers, keeping the Clerical brand name. The society already sells Halifax Life products through

It is the latest in a series of rationalisation moves in the UK life assurance sector and follows the purchase by General Accident, the composite insurer, of Provident Mutual late last

# **James Latham falls to £1.4m**

Difficult trading conditions in the year to March 31 resulted in a fall in pre-tax profits from £1.86m to £1.4m at James Latham. Tighter control of working capital enabled the building

materials group to reduce borrowings to £8.8m (£9.3m), producing gearing of 49 per cent (54 per cent).

The group said sales in April and May had shown a marginal rise on the comparable period.

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**MARKET** RE

By Retter Live

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# ABE suffers £1.8m loss

Lossmaking operations caused a pre-tax deficit of £1.84m at Associated British Engineering in the year to March 31. Turnover was £58.3m, against £60.2m the previous year when a pre-tax profit of £583,000 was reported.

The latest results were hit by total losses on discontinued operations of £2.03m. Lossmaking parts of the catering equipment side have been closed and Dawson-Keith, the diesel power generating set business, has been sold since the year end at a profit of £1.59m, which will be accounted for in the

# Quality Care held to 4% rise

Wage rises, start-up costs and squeezes on care fees held interim pre-tax profits to a 4 per cent rise at Quality Care Homes, the Darlington-based company. Profits of £2.4m were achieved on turnover up 30 per cent to £10.3m for the six months to April 30.

It opened new four homes in the period and raised its number of registered beds by 37 per cent to 1,782. Development costs resulted in capital spending of £4.3m and start-up losses

of £454,000 (£208,000).

The company is building an average of eight new homes a year, with each home costing more than £1m. It warned that gearing – now at 59 per cent – would rise slightly. Mr Duncan Bannatyne, chairman, said: "The benefit of the

new homes opened should show during the second half of the The interim dividend is 10 per cent higher at 1.815p, payable from earnings per share of 14.13p (12.85p). Analysts forecast full-year profits of £5.3m (£4.8m). Simon Keper

# Manchester Airport advances

Success in gaining extra long haul services helped Manchester Airport increase pre-tax profits by 9 per cent from £25.5m to The company said the market for charter flights had still

not recovered to pre-recession levels and remained flat. However, it had lifted profits by controlling operating costs, which rose by 1 per cent in nominal terms despite a 2.4 per cent increase in the number of passengers.

The airport, which is owned by Manchester city council and nine other districts of Greater Manchester, is seeking to build a second runway, seen as vital to secure extra capacity and allow it to obtain extra routes. John Authers

# Seagate buys Holistic

Seagate, the US manufacture of computer disk drives, has acquired Holistic Systems, a privately-owned software developer in west London, for \$84m (£54.9m). Holistic develops and markets strategic business intelligence

software which is used to analyse the growing volumes of data that most companies are struggling to control and Founded by Mr Derek Taylor in 1985 after his previous

company, Metier Management Systems, was acquired by Lock-heed Aircraft, it claims its Holos software helps companies change their behaviour to save or make money. The software sells at an average price of £100,000. The market for data analysis is one of the fastest growing

segments of the computer software industry - IDC, the industry analysts, expects the market for this type of software to double to \$1.1bn by the end of the decade. Holistic will maintain its headquarters in Baling and

esearch and development facilities in Ipswich. In the year to March 31 Holistic's revenues grew by 38 per cent to £16.7m and profits by 12 per cent, marking the group's eighth year of profitable growth,

# unanimous support is needed for any refinancing. Caledonian **Publishing set**

for £100m float

Jarvis Hotels, By Raymond Snoddy middle-market group that is coming to the stock market, Caledonian Publishing, the fifth largest newspaper group in Scotland, is coming to the yesterday priced its shares above initial expectations at Stock Exchange next month in

On the grey market the a flotation expected to value it shares closed at 181p, valuing at about £100m. Caledonian, which publishes both The Herald and Evening the group at £318m - well above the £250m expected Times in Glasgow, was created when the flotation plans were through a management buy-out from Lonrho in 1992 announced last month. The prospectus, published

on June 5, set a range for the book-building exercise of 150p for £94m, including assumed debt of £20m. The aim of the flotation is to to 170p, although it indicated that the price could be set outraise between £60m and £70m side the range. On Wednesday the range was raised to 180p. The flotation raised £133.1m to pay off the company's £60m debt.

Caledonian has had a difficult few years, which included the national newspaper price wars and substantial increases in newsprint costs. The Herald did not, however,

join in the price-cutting and stayed at 45p before going up to 48p last month, compared with its Edinburgh-based rival The Scotsman, which has stayed at 42p.
The Herald lost only 5 per

cent of its circulation at the height of the price-cutting battles and in the past six months has moved up to about 107,000, compared with The Scotsman's

Yesterday The Herald was named morning newspaper of the year in the UK Press Gazette Regional Newspaper

Awards. Although The Herald is available all over Scotland, its circulation is concentrated in the Strathclyde region.

In the 12 months to September 1995 Caledonian had a pretax profit of £3.9m on turnover of £60.6m. The company has been paying interests on its borrowings of £6.2m a year.

Some 57 per cent of the company is currently held by various investment funds of Robert Fleming, the merchant bank. Other significant investors include HSBC and 3i. Manage-ment and staff hold another 10 per cent.

The pathfinder prospectus is expected to be published on Thursday, with trading set to begin by the middle of next month. The 50m new shares will account for about two thirds of the total equity. Fleming's holding will be diluted to about 20 per cent.

Caledonian will tell the City it has a strong franchise in the Greater Glasgow area and outsells all the English national broadsheets combined in its core circulation area.

The Electronic Herald gets 7.500 hits a day. The service is currently free, but the company plans to introduce a subscription charge and advertis-



# Whittard raises £8.5m from flotation and plans growth

By Christopher Price

Whittard of Chelsea, the upmarket tea and coffee retailer, yesterday placed 38 per cent of its shares at 148p each on the Alternative Investment Market, valuing the group at £23.5m.

The figure was at the top end of expectations and the offer was four times subscribed, raising £8.5m for Whittard. The venture capitalist investors who backed the company with £500,000 in 1988 will receive about £6m, with the remainder

used for working capital. Mr Will Hobhouse, managing director, said the group intended to open up to 15 branches a year for the foresee-

able future. It has a nationwide network of 79 stores. Whittard is in talks to buy stores from the collapsed Facia group, and Mr Hobbouse said there were many other buying opportunities in the smaller retail store market.

Pre-tax profits for the year to May 31 rose 30 per cent to £1.8m on sales of £20m. At the placing price, the

17. Mr Hobhouse, who was involved in the rapid growth of Tie Rack in the mid-1980s, and Mr David Gyle-Thompson, chairman, will each retain about a third of the company. Some 135,000 shares will be distributed among 270 employees who have been with the

company more than a year or have made a significant contribution. Whittard estimates it has

about 14 per cent of the UK speciality tea market, which is dominated by Twinings.

### holders. Pro forma net assets are £92.3m and net debt Railtrack starts roadshows for bonds Formal to The prospectus showed operating profits before exception-

Railtrack, the recently owns track, signalling and sta-tions in England, Wales and Scotland, yesterday began investor roadshows for the sale of two bonds worth £235m.

The securities - £135m of 10year bonds with a 9% per cent coupon and £100m of 9% per cent 20-year bonds - were issued and placed with the government on April 3, before Railtrack's flotation, on the understanding that they could be sold in the public bond market at a later date.

SBC Warburg is arranging the sale as part of its advisory role in the privatisation. The

bonds are targeted mainly at flotation, which meant "we're companies (TOCs)." funds in continental Europe, the capital market". continue this week in the UK and continental Europe and the sale is likely within two weeks.

According to Mr Melvin Pointer, Railtrack's treasurer, the company is not planning further forays in the bond market, despite receiving credit ratings yesterday.
"Although the ratings mean

that the capital markets are now open to us, we have no plans for further bond issues at the moment," Mr Pointer said. He noted that Railtrack established a £2.35bn 51/4-year syndicated bank loan just before the

UK institutions but also at not in a rush to do anything in

Moody's Investors Service, the two international rating agen-cies, yesterday published credit ratings for Railtrack: S&P gave it A+ while Moody's awarded it A2 - one notch lower. According to S&P, its rating

"reflects Railtrack's monopoly position as owner and operator of the UK railway infrastructure network, a supportive although untested regulatory environment under the current government, a robust financial profile and secure cashflows derived from a number of fixed long-term contractual relationships with train operating

However, it noted risks include political uncertainty and restructuring of the industry, the complex industry structure and legal framework a large capital spending programme, modest passenger growth expectations, a demanding operating performance regime, and a gradual reduction in subsidies, which

currently amount to over half Moody's also warned of the

of the TOC's annual revenues. significant cultural shift that Railtrack personnel will have to undergo to adapt to the new structure of the sector, and the political risks attendant upon its privatisation".

offer document early next

It was still unclear last night

whether the Scots would opt

Southern Water. The company

plans to fund the bid partly

through a rights issue which will raise £589m before

See Weekend Money

# buy Blakes via placing and offer

Formal Group, the lossmaking men's wear retailer, yesterday accompanied news that it is to acquire Blakes Menswear for a maximum of £4.5m with the announcement of a £5.5m placing and open offer. Formal, which intends to

move from the USM to a listing later this year, also announced a threefold increase in annual pre-tax losses to £2.36m (£595,000), on sales down 25 per cent to £7.95m for the year to March 31. Losses per share were 1.6p (0.7p).

The group was formed after a refinancing in February

when Brackenbridge, the bridalwear company, took over Langside Hire, the formal wear hire concern. Blakes, a men's wear retailer operating mainly in the south-east, had pre-tax profits of £959,000 on sales of £6.5m in the year to January 31. Formal plans to expand the Blakes concept across a wider geographical market.

Mr Dan Taylor, director, said: "This is really our second acquisition on the path to building a larger men's retailer. He hoped more acquisitions

would follow soon. But the group also said that after a review being carried out now, it planned "to close down or dispose of all business which are not shown to be making a satisfactory contribution".

Formal's firm placing and open offer, underwritten by Wise Speke, would help finance the Blakes acquisition and to provide working and expansion capital for the group. Formal has proposed a -for-50 share consolidation. Like-for-like trading since the year end was ahead of last year, and Formal forecast "a favourable trading performance for the current year".

### Water has received assurances for a 21-day "bullet offer" or Southern Water said the from Scottish Power that it stick to the traditional 60-day offer represented a premium of envisages that the integration However, they drew short of 64p over the offer from Scottish Power's offer conof Southern Water into Scot-Southern Electric and 74p tish Power can be achieved sists of £10.28.2p in cash and 21.8p net dividend from

Southern Water accepts Scottish Power

By Simon Holberton

Directors of Southern Water yesterday recommended that shareholders accept Scottish Power's £10.50 a share cash

issuing an irrevocable recommendation, although the prospect of a counter bid was judged by analysts to be unlikely. Southern Electric, the

regional electricity company which had a recommended

offer, withdrew from the bidding for Southern Water on Thursday after Scottish Power announced the terms of its

improved offer. over the value of the Southern Electric cash alternative that had been previously recom-

"The Scottish Power offer now represents the highest offer available and accordingly

sory redundancies and that the

without the need for compulexisting rights, including pension rights, of all Southern Water employees will be safeguarded." Scottish Power will post its

the board will recommend

shareholders to accept it," the

"The board of Southern

company said.

Group, were subsumed into the new venture, for which the UK-based company received £166m and a third of Epic's

was £45m.

# Royal selling Dutch stake for £114m By Raiph Atkins,

Insurance Correspondent

Royal Insurance, the composite insurer which is merging with former rival Sun Alliance, is selling its one third stake in Epic, a joint venture company operating in the Netherlands, for £114m cash.

Royal said the disposal had been mooted for some time and was unrelated to its planned merger. But the transaction has the advantage of avoiding any conflict with Sun Alli-ance's existing Dutch

operations. The two insurers see overseas expansion as a priority for the combined group, which will be called Royal & Sun Alliance. Mr Trevor May, insur-ance analyst at Salomon Brothers, suggested that the Epic deal created a "clean sheet" for possible expansion in northern Europe.

Epic ~ European Partners for Insurance Cooperation - was formed in 1992 as a tripartite venture between Royal, Aachener und Munchener (AMB), the German insurer. and La Fondiaria, the Italian At the time, Royal was fac-

ing heavy losses and the move

was part of efforts to

strengthen its balance sheet.

Royal's Dutch operations,

including Royal Nederland

La Fondiaria later sold its stake to AMB. Mr Richard Gamble, Royal's chief executive, said Epic's future had

then been put under review by its two remaining owners. Royal said the net asset value of the stake it sold yesterday

# RESULTS Notice is hereby given that, in accordance with the provisions of the above mentioned Floating Rate Depositary Receipts, the rate of interest for the six months period from June 21, 1996 to December

profit of £1.7m in 1995. BANCO DI NAPOLI US\$ 100,000,000 SUBORDINATED FLOATING RATE DEPOSITARY RECEIPTS DUE 1996

23, 1996 (185 days) has been fixed at 6.42344% per annum. The interest payable on December 23, 1996 will be US\$ 330.09 in respect of each US\$ 10,000 Note and US\$ 3,300.93 in respect of each US\$ 100,000 Note.

BANQUE INTERNATIONALE ELL

5.14 2.36L 5.88♥ 1.4 2.9 2.41 Yr to Mar 31 + (15.1 ) 3.33 Aug 2 8.89 6.11 (10.6)1.6L 10.2 21.5 (0.7L) (11.8) nii 4.15 nii 2.75 nd 3.75 6 3.6 (60.7 ) (80.1 ) (6.82 ) (1.86 ) ... Yr to Mar 31 66.7 Sept 2 79.6 (27.4 ) (15 ) (12.85 ) 3.75 3.6 1.65 (12 ) (7.92 ) (1.82 (2.31 ... Yr 10 Maer 31 16.9 July 30 Date of Total test year Total for 6 milhs to Apr 30 143.5 (100.4 ) 30.4 6.94 0.002 474.74 3.9 3.85 7.55 1.4 \_ 6 mathes to Apr 30 460.1 (292.1 )



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# WEEK IN THE MARKETS Copper losses 'absorbed'

By our Commodities Staff

The London Metal Exchange's copper market "has absorbed one of the world's biggest financial shocks and it has resulted in no major market problems and no financial failures", said Mr David King, chief executive of the exchange, on Wednesday.

This was a crucial day for the exchange in the wake of Sumitomo's claim that its senior copper trader had concealed losses of US\$1.8bn. On the third Wednesday of each month futures contracts must be closed or physical metal will be delivered.

This means that a big concentration of June business took place in the first three days of this week. The market

|         |       |       | _   | _           | _  |
|---------|-------|-------|-----|-------------|----|
| والمراح |       |       | 542 | STO         | CK |
| (As et  | Thurs | day's | CLD | <b>56</b> ) |    |
| Danner  |       |       |     |             |    |

| Alumbum         | +10,150 | \$5,903,250 |
|-----------------|---------|-------------|
| Aluminium alloy | -360    | to 85,100   |
| Copper          | +5,000  | to 272,775  |
| Lead            | +825    | TO 92,550   |
| Nickel -        | -240    | to 32,436   |
| Zino            | -0.050  | to 584,800  |
| Tin             | -545    | to 10,520   |

remained relatively calm, however. The hectic activity took place last weekend, traders suggest. It is believed that the main thrust of this effort was to achieve a behind-the-scenes settlement of Sumitomo's outstanding contracts on agreed terms.

The aim was to prevent resumption of the ferocious battle for supremacy on the LME between the US hedge funds intent on driving copper prices down and Sumitomo, which previously had been

intent on keeping prices up. Without Sumitomo there, analysts suggest, the copper price has nowhere to go but down and sentiment yesterday, eight days after Sumitomo's shock revelation, was very bearish.

| WEEKLY PRICE           | CHANGES   | \$      |          |          |          |  |
|------------------------|-----------|---------|----------|----------|----------|--|
|                        | Lehet     | Change  | Year     | 1996     |          |  |
|                        | prices    | os week | aço      | High     | Low      |  |
| Gold per troy oz.      | \$383.65  | -0.50   | \$389.75 | \$415.40 | \$373,00 |  |
| Silver per troy oz     | 332,5p    | +2.5    | 335.30p  | 383,90p  | 267.90p  |  |
| Atuminium 99.7% (cash) | \$1480,0  | -5.0    | \$1812.0 | \$1678.0 | \$1459.0 |  |
| Copper Grade A (cash)  | \$1987.5  | -157.5  | \$3127.5 | \$2810.0 | \$1987.5 |  |
| Lead (cash)            | \$784.0   | +9.5    | \$622.0  | \$927.5  | \$880.5  |  |
| Nickel (cash)          | \$7620.0  | -127.5  | \$8235.0 | \$8825.0 | \$6185.0 |  |
| Zinc SHG (cash)        | \$998.5   | -10.5   | \$1027.0 | \$1082.0 | \$990.5  |  |
| Tin (cash)             | \$6155.0  | -60.0   | \$8830,0 | \$6590.0 | \$5980,0 |  |
| Cocoa Futures Jul      | 21083     | -31     | 2258 -   | £1179    | 5863     |  |
| Coffee Futures Jul     | £1838     | +8 `    | 22743    | 22805    | £1570    |  |
| Sugar (LDP Raw)        | \$292,70  | -5.90   | \$357.5  | \$330.7  | \$262.9  |  |
| Barley Futures Sep     | £105.00   | -1.20   | £107.00  |          | 2104.90  |  |
| Wineat Futures Jul     | £116.26   | -3.00   | £129.20  | 2134,10  |          |  |
| Cotton Outlook A Index | 82.05     | -0.85   | 97.00    | 87.55    | 81.95    |  |
| Wool (64s Suber)       | 428p      |         | 506p     | 452p     | 428p     |  |
| Oil (Brent Blend)      | \$18,156x | +0.525  | \$16,305 | \$23,13  | \$16.90  |  |

tonne rise in LME stocks. which drove copper for delivery in three months to \$1.870 a tonne at one point, down more than \$100 from the previous

day's close. Nevertheless, LME stocks remain relatively low and very tightly held and anyone who wanted copper for nearby delivery was having to pay unprecedented premiums yesterday: \$20 a tonne to roll over a short position for one day and \$28 a tonne to roll over a position for a week.

The were rumours that more metal was on its way to LME warehouses and there were worries about just how much stock Sumitomo had to sell and how quickly it would have to sell it.

"If copper stocks once held by Sumitomo are liquidated, the price of copper will go down and go down a lot," said one trader last night.

Aluminium was affected by

copper's weakness and by con-

cern over a rise in stock levels. However prices ended the week at \$1,516 a tonne, up on ast week's \$1.485 a tonne. Longer-term- price trends should be positive, said Flem-ings Global Mining Group, which this week predicted that aluminium would reach \$2,240 a tonne by late 1997. It expects aluminium stocks to reach critically low levels by the end of next year.

Iraq remained the most volatile factor affecting world oil prices. This week's standoff between Iraq and United Nations weapons inspectors in Baghdad caused oil prices to strengthen sharply on Monday, when the price of the benchmark Brent Blend for August delivery rose by 80 cents on the day to end at \$18.65 a barrel.

The sharp rise followed suggestions that the latest confrontation would undermine the recently concluded oil for food deal, under which Iraq will be allowed to export \$2bn of oil every six months to pay for food, medicine and other

essential items. Prices eased by midweek but they stayed above the \$18 a barrel level yesterday as traders awaited the outcome of earish. talks yesterday between Iraqi It was not helped by a 5,000- and UN officials.

# **COMMODITIES AND AGRICULTURE**

Precious Metals continued

E GOLD COMEX (100 Tray oz.; \$/tray az.)

Sett Dey's

| BASE METALS .  |        |
|--|--------|
| LONDON METAL EXC   |        |
| (Prices from Arraigemented Metal Ti<br># ALUMINIUM, 98.7 PURITY (\$ px |        |
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|                        | CSCHI                | o mare                |
|------------------------|----------------------|-----------------------|
| Closé                  | 1479.5-80.5          | 1516.5-16.5           |
| Previous               | 1479-80              | 1515-16               |
| High/low               | 1467.5               | 1520/1498             |
| AM Official            | 1457-67.5            | 1502-02-5             |
|                        | 1401.015             | 1518-19               |
| Karb close             |                      | 1010-18               |
| Open Int.              | 238,824              |                       |
| Total daily turnover   | 57,634               |                       |
| B ALUMINUM ALL         | OY S per torms       | n)                    |
|                        | 1255-65              | 1290-300              |
| Close                  | 1258-63              | 1292-95               |
| Pravious               | 1239-60              | 1585-80               |
| High/low               |                      |                       |
| AM Official            | 1240-50              | 1275-80               |
| Kerb close             |                      | 1290-96               |
| Open int.              | 5,076                |                       |
| Total daily turnover   | 531·                 |                       |
| ■ LEAD & per tonn      | e <del>)</del>       |                       |
| Close                  | 783.5-4-5            | 791-2                 |
| Previous               | 779-80               | 786-7                 |
| High/low               | .119-00              | 797/776               |
| AM Official            | 773-5 .              | 781-3                 |
|                        |                      | `783-4                |
| Kerb oloss             |                      | 180-4                 |
| Open Int.              | 33,352<br>4.698      |                       |
| Total daily-fumover    |                      |                       |
| S NICKEL S per to      | noe)                 |                       |
| Close                  | 7615-25              | 7720-30               |
| Previous               | 7680-70              | 7770-75               |
| High/low               |                      | ?780/7 <del>885</del> |
| AM Official            | 7625-30 ·            | 7725-30               |
| Kerb close             |                      | 7740-50               |
| Open Int.              | 42,589               |                       |
| Total delly turnover   | 10.297               |                       |
| all Talk (5 per tonne) |                      |                       |
| Close                  | 8150-60              | 8185-90               |
| Provious .             | 8150-80              | 6190-95               |
| High/low               | 6165/6160            | 6235/6160             |
| AM Official            | 6164-85              | 6190-91               |
| Kerb close             | 010-00               | 6235-40               |
| Open Int.              | 16.291               |                       |
| Total daily tumover    | 3.093                |                       |
|                        |                      |                       |
| ZINC, special hig      | is Business (2) Dec. | 10/15/9J              |
| Close                  | 968-9                | 1024.5-25             |
| Previous               | 997-8                | 1023.5-24             |
| High/low               | 996.5                | 1025/1018             |

AM Official Kerb close Open Int. Total daily turnover 1022-22.5 1026-26.5 996.5-7 11,211 E COPPER, grade A (S per torme) Close Previous High/low AM Official Kerb close 1888-90 1975-80 1970/1870 1885-90 1990-82 2050-65 1985-90 191,734 116,634 Open int. W LME AM Official £/\$ rate: 1,5395 LME Closing £/\$ rate: 1,5400

Sout- 1.5383 3 milier, 1.5375 6 milier, 1.5380 9 milier, 1.5382 Sett Day's price change High Low Vol 105,70 +4.50 107.00 97.00 264 1,584 105,00 +4.50 104,00 19,00 284 1,556 \$1.20 -3.80 94.50 91.00 28.0 33 1,803 \$2.00 -3.80 91.00 90.30 33 1,803 \$2.00 -3.85 92.00 88.15 2,838 14,588 \$2.00 -8.85 88.50 88.30 16 1,654 \$7.85 -4.00 88.00 89.00 7 947

PRECIOUS METALS 15 LONDON BUILLION MARKET \$ price C equiv SFt etaxiv Gold(Troy oz) 383.50-383.80

384.20-384.50 384.20 383.20 249.53 248,75 Day's High 384.55-384.85 Day's Low 382.80-383.10 Previous close 384.20-384.60 n Gold Lending Rates (Vs USS) .4.32 ..4.27

331.95 336.00 340.25 348.45 510,85 516.90 523.70 537.00 **Gold Coins** S price £ equiv. 394.00-396.50 57-<del>58</del>

+0.5 383.6 382.5 386.4 +0.5 386.9 384.6 10,556 85,321 386.8 +0.5 386.9 384.5 10,556 85,321 389.6 +0.5 388.3 387.5 117 7,556 382.3 +0.4 382.5 380.0 521 37,563 385.0 +0.4 - 385.8 255 8,364 # PLATINUM NYMEX (50 Troy oz.; S/troy oz.) 2848 -0.8 385.0 392.0 4,242 9,148 396.8 -1.1 397.8 394.5 3,518 14,709 393.8 -1.1 399.5 393.0 421 1,559 402.8 -1.1 - 428 2,052 405.1 -1.1 - 1 26 3,810 27,822 PALLADRIM NYMEX (100 Troy oz.; \$/troy oz.) 130.75 +0.20 129.50 129.50 131.25 +0.20 133.50 130.60 Jen Sep Dec Jen Total - 19 145 7,029 2 915 - 106 145 6,081 Jel Sop Doc Mar May Jel Yotal 132.25 +0.20 133.25 133.25 134.30 +0.20 SILVER COMEX (5,000 Troy oz.; Cents/troy oz.) -1.3 - - 2 1 -1.5 512.0 505.5 6,793 48,989 -1.5 - - 17 -1.4 518.0 511.0 2,902 33,322 -1.4 525.0 518.5 266 15,283 -1.4 532.0 530.0 43 5,432 -1.4 532.0 530.0 43 5,432 Jen Jel Aug Sep Dec Rar Total 510.7 512.4 518.4 524.4 532.6 **ENERGY** M. CRUDE Oil, NYMEX (1.000 barrels, S/barrel) Latest Cury's price change High Law Val Rd. 19.39 -0.04 19.60 19.28 82.7 82.76 19.39 -0.02 19.10 18.28 82.7 82.76 18.95 -0.02 19.10 18.93 2.98 27.923 18.51 -0.08 18.80 18.60 1.011 22.37 18.45 -0.04 18.80 18.35 2.807 33.018 18.25 -0.08 18.39 18.25 915 21.018 100,454 363,818 EL CRUDE OIL IPE (S/berrel) 18.15 +0.09 18.35 18.09 11.678 68.756 17.74 +0.04 17.89 17.89 4.911 27.049 17.48 +0.01 17.89 17.44 1.433 18.635 17.25 - 17.38 17.44 1.433 18.635 17.25 +0.03 17.26 49.5 5.625 17.12 +0.03 17.16 17.04 788 12.155 18.95 - 17.02 18.95 562 12.157 Jol Any Sep Oct Dec Jee Total 21,517160,199 ME HEATING OIL NYMEX (42,000 US gain; p.U.S palls.)

Lubest Day's
price change High Low Vol let.

51.50 -0.03 52.00 51.35 7.276 16,406
51.85 - 52.25 51,75 6,293 18,407
52.35 - 52.70 52.30 1,560 9,450
52.80 -0.05 53.90 53.40 500 6,673
53.40 -0.05 53.90 53.40 500 6,673
53.95 - 54.15 53.95 1,348 17,800
18,864 98,914 Herr Harr Apr Hery Jan Total E GAS Off, PE (\$70;cms)

180.59 +0.25 161.25 180.00 4,818 15,147 189.25 +0.50 180.25 189.00 2,754 12,140 189.59 +0.90 180.75 189.59 557 7,830 180.59 +0.90 181.25 180.00 561 3,134 181.00 +0.50 181.25 181.00 18 1,530 181.25 +0.50 182.25 181.00 277 9,875 B,862 53,479 MATURAL GAS HYNEX (10,000 MINSHL; SYMINSHL) Latest Day's price change High 

2715 +0.019 2210 2670 3,222 20,483 2695 +0.020 2,710 2,865 1,954 17,942 2,720 +0.076 2,720 2,670 1,008 12,210 2,760 +0.065 2,770 2,715 1,513 14,384 MYMEX (42,000 US gate; c/US gate.) Latest Day's Open price change High Low Yol int | St.65 +0.17 | St.00 | St.40 | 12,601 | 20,745 | St.50 | +0.13 | St.20 | St.40 | 12,601 | 20,745 | St.50 | +0.13 | St.20 | St.20 | 7,928 | 20,745 | St.55 | +0.01 | St.10 | St.20 | St.20 | 7,928 | 20,745 | St.75 | +0.66 | St.75 | St.75 | 2,642 | 5,651 | St.75 | +0.46 | St.75 | St.75 | 249 | 1,203 | St.55 | +0.11 | St.00 | St.95 | 164 | 1,500 | St.75 | 4,661 | St.75 | 4,661 | St.75 | 4,661 | St.75 | St.7

price charge High. Law 1070 357 7,448 1089 1,236 43,759 1046 1,141 40,974 1044 861 42,380 1053 184 20,184 115.25 -1.25 116.00 114.75 +11 1086 +15 1113 +10 1056 +8 1050 +9 2060 +8 1070 71 65 81 511 1063 1113 1052 1047 1056 1067 77 511 65 373 81 2,999 33 1,033 10 279 20 134 295 5,340 Step Dec Mar May Jul Total 112.50 -0.25 112.50 112.25 11425 -0,10 11425 11400 116.10 -0.15 116.00 116.00 118.00 -0.25 118.00 178.00 120.00 -0.25 120.00 120.00 171 10.444 WHEAT CBT (5,000bu mirc cents/60to bushel) # COCOA CSCE (10 tonnes; \$/ton +8 1389 1390 87 504 +3 1431 1417 4,098 34,853 13 1453 1439 684 20,020 +2 1472 1455 26 13,409 +3 1465 1470 8 6,685 +10 1490 1480 1 5,910 Jul Sep Oec Max Maxy Maxy Max Total 497.25 +3.75 453.50 485.00 10.980 28.333 1388 1419 1440 1457 1470 1480 491.00 +1.75 496.00 486.00 5,436 25,976 594.25 +2.75 596.50 496.00 5,145 22,064 596.00 +1.00 476.00 502.00 588 3.069 475.00 +1.00 476.00 475.00 - 110 433.50 431.00 175 1,247 22,345 81,416 MAIZE CBT (5,000 bu min: cents/58tb bushel) E COCOA (ICCO) (SDR's/tonne) 470.00 -4 475.00 469.50 19,555 77,873 Price 47(00) -4 (7500 0831.75 8,479 87,80 857.50 +46 360.00 351.00 24,299185,838 351.75 45.25 364.00 359.00 2,529 23,149 353.75 45.25 365.00 361.00 201 4,778 362.00 44.75 364.50 360.00 201 4,778 362.00 44.75 364.50 360.00 201 4,778 364.50 201 4,778 364.50 201 4,778 364.50 201 4,778 364.50 201 4,778 364.50 201 4,778 364.50 201 4,778 364.50 201 4,778 364.50 201 4,778 364.50 201 4,778 364.50 201 4,778 364.50 201 4,778 3 # COFFEE LCE (\$/tonne) IN BARLEY LCE (E per tonne) 105.00 +0.25 107.15 107.15 108.20 +0.30 108.90 108.90 111.00 +0.10 110.90 110.90 112.00 +1.00 723 141 41 5 IL COFFEE 'C' CSCE (37,500lbs; cents/lbs) 119.70 -1.75 121.00 119.25 994 2,557 114.80 -2.50 116.70 114.25 3.204 14.008 Jul Sep Det jär Mey Jul Total E SOYABEANS CET (5,000bu mix; cente/600; bushel) 111.55 -2.70 113.50 111.50 184 108.90 -2.35 111.15 108.60 25 109.15 -2.90 111.00 109.00 8 108.25 -2.15 - - -781.75 +11.75 793.00 779.00 11.141 35,758 788.00 +13 788.50 774.50 4,483 23,739 772.50 +13.25 773.50 765.50 562 8,256 762.50 +12.75 770.50 743.00 24,173 96,75 775.00 +12.75 775.75 768.00 98 3,658 775.00 +12.75 775.75 768.00 98 3,658 13,214 23,180 COFFEE (ICO) (US cents/pound) Prev. day 108,35 105,00 M SOYABEAN OFL CST (60,000lbs: cants/lb) 25.77 +0.35 25.79 25.42 8.517 20,796
25.96 +0.34 25.00 25.85 4,567 18,377
26.19 +0.35 25.29 25.86 1,501 8,742
28.34 +0.32 26.35 26.08 1,518 8,500
26.65 +0.36 25.67 25.30 10,197 28,346
26.75 +0.35 26.75 25.45 200 2,105
28,841 88,215 383.5 -0.4 384.5 381.6 670 9.269 349.7 +1.7 350.8 347.5 583 7.065 336.8 -70.4 389 9 334.6 145 3.970 331.8 +19 332.5 330.0 118 4,165 339.6 +1.2 330.5 328.3 60 2.089 327.4 +0.5 - - 751 Ang Oct Dec Mur May Ang Total E SOYABEAN MEAL CHT (100 tons; \$/ton) 246.8 +3.6 247.6 243.2 9.555 29.034
245.1 +3.7 246.7 244.3 2.726 16.730
244.1 +4.4 244.4 342.8 965 9.013
240.2 +4.4 341.0 238.0 136 24.03
239.9 +4.5 240.5 237.5 5.275 24.03
239.0 +4 240.0 238.5 94 2.332
18,980 88,984 1,576 27,768 R SUGAR 11' CSCE (112,000lbs; cents/lbs) 12.03 +0.28 12.08 11.73 8,283 28,911
11.39 +0.23 11.43 11.12 5,535 58,971
11.03 +0.17 11.05 10.84 1,728 34,766
10.80 +0.11 10.80 10.85 354 11,841
10.84 +0.08 10.85 10.56 434 10,707
10.52 +0.05 10.54 10.48 85 4,605
34,281 142,345 EL POTATOES LCE (E/tonne) 85.0 118.0 - - -COTTON NYCE (50,000lbs; cents/fbs) 153.5 166.0 162.5 +5.7 154.0 150.0 99 1,185 +6.0 - - 3 72.95 - 73.90 72.88 5,896 5.256
75.55 -0.61 75.95 75.26 2,172 72.87
75.88 -0.37 76.35 75.70 4,794 33,872
77.10 -0.30 77.35 76.90 430 6,005
77.85 -0.25 78.00 77.70 157 3,960
78.60 - 78.60 78.25 107 1,752
13.588 60.163 itali Oct. Dec. Mary italy italy italy BE FREIGHT (BIFFEX) LCE (\$10/index point) 1224 -6 1226 1222 12 543 1150 -13 1160 1150 33 2,041 1153 -2 1155 1150 20 125 1257 +2 1255 1260 21 1,430 1275 -3 - 25 1282 +4 - - 61 88 4,581 CRANGE JURCE NYCE (15,000/be; cents/bs) 122.50 -1.20 122.75 122.05 702 5.171 179.77 -1.05 179.20 179.05 777 8,223 116.70 -0.45 116.70 116.20 80 2.014 174.30 -0.90 114.50 174.25 46 3,778 116.30 -0.90 116.50 119.75 8 274 117.30 -0.90 - 18.75 183 1,607 19,725 Jel Sep Herr Jen Herr Clest 1232

The state of the s

SOFTS

EF COCOA LCE (Externe)

Sett Day's

GRAINS AND OIL SEEDS

WHEAT LOF (C per tonne)

Sett Day's

| <del></del>  | 1  |
|--|--|
| Spices Pepper continued it's inscrivity this week report Man Producten. White eased further as first oftens from china came into merket, indonesia lowered their prices. White spot \$3350, \$3275 jul/Dec ship. Black spot \$2200, \$2075 jurylish ship. Pimientox Mexico, Guatemale and Hondu- | VOLUME DATA Open Interest and Volume data shown for contracts traded on COMEX, NYMEX, CST, NYCE, CME, CSCE and IPE Crude Oil are one day in arreas. Volume & Open Interest totals are for at traded moretis. |
| ras have nothing left, leaving Jameica as only<br>supplier. Jameica spot \$2450 a tonne. Ship-<br>ment Jul \$2550. Mexico spot \$2200. Shipment<br>Jul Sap NA. Ginger unchanged. Cochar Ship-  | INDICES  REUTERS (Base: 18/9/31=100)   |
| ment \$1525 a tonne. Spot \$1700. China ship-<br>ment \$1300. Spot \$1350. Nigeria spot \$1300.<br>Nutmegs, Mace Wi suns \$2250. Spot Indocspot<br>\$1900. Ship \$1750. Wi guns \$1350. Spot Indo  | Jun 21 Jun 20 month ago year ago<br>2019.6 2041.2 2119.4 2305.9<br>IL CRS Futures (Base: 1967=100)   |
| BWP: spot \$1800. Ship \$1400. Indo Mace:<br>spot \$4350. Ship \$4000. Casala steady ve/ka<br>sticka, Spot \$2550. Ship \$2325. kibirci Spot   | Jun 20 Jun 19 mostb ago yeer ago<br>249,26 249,58 255,81 na<br>■ GSCI Spot (Base: 1970=100)  |
| \$1425, Shipm \$1250, Cloves lack of interest.<br>Spot \$1075, shipment \$975  | Jun 20 Jun 19 month ago year ago<br>200.62 200.12 212.03 176.70  |

Dec 2-16 2-54

UŠ

MEAT AND LIVESTOCK I LIVE CATTLE CIME (40,000 text cents/text Sett Dey's Prist change High Low 63.00% +0.35 63.200 62.42% 1,008 1,246 65.275 +0.075 65.350 64.650 5,373 38,997 Jen Ang Oct Dec Feb Apr Total 86.725 +0.15 86.875 66.375 64.375 +0.225 64.450 64.025 63.325 +0.1 63.500 63.125 1,780 34,322 1,027 11,302 435 11,703 65.425 +0.225 56.450 66.000 110 3,463 LIVE HOOS CME (40,0000xx cerns/bs) 58.175 +0.825 58.500 57.100 854 438 53.255 +0.375 55.550 54.850 38.537 8.197 52.250 40.275 52.250 51.825 2.592 10.988 48.825 +0.475 48.700 47.850 837 5.794 51.525 49.86 51.550 50.700 56 68.444 70.4750 47.575 47.75 47 Jun Jul Ang Oct Dec Feb Tesse F PORK BELLIES CME (40,000bs; certs/lbs) Juli Asig Feb Mar Mar Tebal 70.700 -0.05 72.150 69.900 1.608 3.455 58.600 +0.425 89.750 67.550 1.590 3.358 3,358 894 59 54 76.325 +0.875 77.450 76.100 77.700 +0.9 77.700 77.000 78.475 +0.55 78.475 -200 15 3,415 7,820 LONDON TRADED OPTIONS Strike price \$ torme - Calls M ALUMINIUM (99.7%) LME Oct 136 195 265 120 82 54 COFFEE LCE ادبال E COCOA LCE Sер 47 81 1750 .... LONDON SPOT MARKETS IR CRUDE Off. FOB (per barrel) +0(-\$16.99-7.07 \$18.38-8 44 \$18.15-8.16 \$19.95-9.97x +0.0045 -0.002 -0.005 -0.105 Brent Blend (dated) Brent Blend (Aug) W.T.I. III OIL PRODUCTS MVEp

Premium Gasoline \$201-203 +1 +2 \$165-166 Gas Oil Heavy Fuel Oil Naphtha Jac fuel Diasel III NATURAL GAS (Pence SAR-AR \$170-172 \$190-191 \$167-16B Bacton (Jul) 12.75-13.25 +0.025 Petroleutri Argus M OTHER Gold (per tray oz) -0.75 -2.50 -0.75 +0.10 512.00c \$391.25 Pletinum (per troy oz.) Palledium (per troy oz.) \$129.25 107.0c 45.00c Copper Lead (US prod.) 15.18r 289.50 Cattle (five weight) Sheep (live weight) Pigs (live weight)† 99.31p 111.69p 118.19p Lon. day sugar (raw) Lon. day sugar (wa) Barley (Eng. feed) Maize (US No3 Yellow) Wheat (US Derk North) \$292.70 \$398.00

0.03 -3.03 -10.83° +1.93° +1.30 wan for , CBT, are one st totals Rubber (Jul)♥ Rubber (Aug)♥ Rubber (KL RSS No1) 100.25p 100.25p 370.00m +0.25 +0.25 -2.00 Coconst Oil (Phil)§ 630.0w -30.0 -15.0 Palm Oil (Matery.)§ Copra (Phil)§ Soyabeans (US) \$480,0z \$531.0u 214.0 -0.50

Cotton Outlook A' Index

LOW

Est, vol. Open int.

106-26 240,672 419,162 106-18 160 15,868 - 5 2,479

High

# WORLD BOND PRICES

# **MARKET REPORT**

### By Richard Lapper, Capital Markets Editor

Government bond prices were firmer across the board yesterday, with a stronger dollar and expectations of interest cuts again fuelling outperformance by high-yielding European bonds. Spain was the best per-former with the yield on the 10-year benchmark falling by 14 basis points to 8.92 per cent. The 10-year yield spread over Germany fell to 233 basis points from 241 on Thursday. At Meff the 10-year bonos gained nearly a point to settle

The Italian market has been a focus of attention for much of the week and yields again fell sharply following publication of a further batch of provisional price data from Italian cities which indicated June CPI is likely to fall below 4 per cent. An interest rate cut had failed to materialise by early evening yesterday but dealers are still expecting an imminent reduction. In the cash market yields on the benchmark 10year BTP fell 8 basis points to 9.27 per cent and the yield spread over bunds narrowed to

(29b-59b)

287 basis points, down 1 point. Gilts also performed well, belped by the June industrial trends survey from the CBI
which showed output remained subdued and no significant rise in price pressures. At Liffe, the September long gilt rose li, set-tling at 105 g. Core markets too enjoyed a

better day. In Germany news that the Bundesbank will not issue new 10-year bonds in the third quarter gave a boost to bunds, with the benchmark yielding 6.61 at the close, 4 basis points less than on Thursday, Buba will issue DM10bn, DM10bn and DM8bn respectively at six-month, twoyear and five-year maturities. At Liffe the September bund future gained just over a third of a point to settle at 94.97. The US market was helped by a stronger dollar. By midday in New York two-year Treasuries were unchanged at 99%, ing 6.33 per cent. Ten paper gained % to 99%. ing 6.94 per cent. The 3 benchmark was up it at

yielding 7.09 per cent. In Chicago the Septe T-bond future was tradin 106點, up 点.

| US INTEREST   | RA                           | TES         |                      |          |  |  |  |
|---|------------------------------|-------------|----------------------|----------|--|--|--|
| Latest  | Treasury Blas and Bond Yelds |             |                      |          |  |  |  |
| Prisine rate Broker local rate Fed funds at Intervention. | 84<br>7<br>57<br>54          | Coe year    | 5.26<br>5.45<br>5.84 | Two year |  |  |  |
| BOND FUTUR  | ES .                         | AND OPTIONS |                      |          |  |  |  |

|        | Open   | Sett price | Change | Hìgh   | LOW         | ESIL VOL    | Open in     |
|--------|--------|------------|--------|--------|-------------|-------------|-------------|
| Sep    | 120.88 | 121.10     | +0,44  | 121.12 | 120,85      | 77,138      | 150,31      |
| )ec    | 119.62 | 119.82     | +0.40  | 119.78 | 118.60      | 3,068       | 17,715      |
| Mary . | 119.44 | 119.64     | +0.40  | 119,46 | 119,44      | 26          | 729         |
| Price  | Ju     |            |        | ep .   | Jul<br>0.00 | Aug<br>0.25 | Sep<br>0.54 |
| 120    | -      | 1.3        | 5      | -      | 0.03        | 0,25        | 0.54        |
| 121    | 0.3    |            |        | .67    | 0,02        | 0.58        | 0.91        |
| 122    | 0.0    |            |        | 49     | -           | 1.15        | -           |
| 123    | -      | 0.0        |        | 20     | -           | -           | -           |
| 124    | -      | -          |        | .08    | -           | -           | •           |
|        |        |            |        |        |             | 127,051 Pus |             |

|                 | . Open  | Sett price | <ul><li>Change</li></ul> |             | Oh.      | COM     | EST AG        | Upan             |
|-----------------|---------|------------|--------------------------|-------------|----------|---------|---------------|------------------|
| Sep             | 94.70   | 94.97      | +0.37                    | <i>9</i> 5. |          | 94.58   | 135032        | 1972             |
| Dec .           | 93.96   | 94.06      | +0.34                    | 94.         | .00      | 93.96   | 737           | 158              |
| = pusin         |         | OPTIONS (  | NEED DI                  | 1250 DO     | G points | of 100% |               |                  |
|                 | rutones |            |                          |             | <u> </u> |         |               |                  |
| Strike          |         | c          | us                       |             |          |         | PUTS ~        |                  |
|                 | Jul     |            |                          | Dec         | 44       |         | PUTS ~<br>Sep |                  |
| Strike<br>Price | Jul     | Aug        | us                       |             |          |         | PUTS ~        |                  |
| Strike          |         | c          | Sep<br>Sep               | Dec         | Jul      | Aug     | PUTS ~<br>Sep | De<br>1.4<br>1.7 |

| Strike     |                | CAL            | 15           |              |             | PUTS          |         |
|------------|----------------|----------------|--------------|--------------|-------------|---------------|---------|
| Price      | ليزار          | Aug            | Sep D        | ec Ju        | l Aug       | Sap           | Dec     |
| 105        | 0-30           | 1-04 1         | -24 1-       | 46 0         | 0-38        | D-58          | 2-16    |
| 106        | ۵              | 0-35 (         | J-58 1-      | 20 0-S       | 4 1-05      | 1-26          | 2-54    |
| 107        | Q              | 0-15           | )-33 D-      | 63 1-3       | 4 1-49      | 2-03          | 3-33    |
| Est vol to | bil, Calls 302 | 4 Puts 1769. i | Previous day | s open int., | Crais 22619 | Puis 22747    | •       |
| E          |                |                |              |              |             |               |         |
| Ecu        |                | <del>_</del>   |              |              |             |               |         |
| ECA 8      | OND FUTT       | RES (MATTE     | ECOLODIO     | <u> </u>     |             |               |         |
|            | Ореп           | Sett price     | Change       | High         | LOW         | Est val       | Open in |
| Sep        | 80.22          | 90.36          | +0.44        | 90.34        | 90.20       | 546           | 6,288   |
|            |                |                |              |              |             |               |         |
|            |                |                |              | neet i       | NDICE:      | e             | -       |
| F 1 - A.C. |                | es Piae        | u in ie      | MC31         |             |               |         |
| FT-AC      | IUARI          | es fixie       | Day<br>Day   |              |             | ar<br>Accrued | xd adi  |

0.20 0.56 0.76 -0.09 0.46

Jun 20

ILONG GELT PUTURES OPTIONS (LIFFE) \$50,000 64ths of 100%

Up to 5 years (22 5-15 years (19) Over 15 years (5) irredesmables (5)

| int. |                     | Open       | Close          | Change | High   | LOW              | Est. vol         | Open in      |
|------|---------------------|------------|----------------|--------|--------|------------------|------------------|--------------|
| 8    | Sep                 | 118.37     | -              | •      | 118,44 | 118.30           | 1919             | Ō            |
| _    | Dec                 | 117.41     | -              | -      | 117,41 | 117.37           | 376              | Ð            |
|      | <b>4</b>            |            | ed on APT. All |        | •      | •                |                  |              |
| i    | Index- <b>i</b> nte | ed.        | Fri<br>Jun 21  | Chang  |        | Thu<br>tun 20    | Accrued interest | xct act      |
| 6    | B Up to             | years (1)  | 197.57         |        |        | 197.32           | 1.42             | 4.43         |
| 4    |                     | years (11) | 186.87         |        |        | 186.11<br>186.24 | 1.64<br>1.64     | 1,81<br>1,86 |
|      | 8 All stoc          | ks (12)    | 186,79         | 0.     | SU I   | 100.24           | 1.04             | 1-20         |
| 2    |                     |            |                |        |        | ich coupon       |                  |              |

IL US TREASURY BOND FUTURES (CBT) \$100,000 \$2nds of 100%

Latest Change

+0-15 +0-16

107-09 106-24 105-27

7.46 8.24 8.32 7.91 8.26 8.26 8.31 7.67 28/3 8.40 7/5 8.47 7/5 8.61 3/5 6.66 18/1 7.50 18/1 7.63 18/1 7.75 25/1 7.50 8.30 8.37 8.36 1.84 1.88 12/3 1.01 15/2 3.45 3.58 7/6 3.29 19/1 2.76 3.84 1.19 3.62 Average gross redemption yields are shown above. Coupon Bends: Low: 0%-74%; Medium: 8%-104%; High: 11% and over. † Plat yield. ytd Year to date. Base values: UK Gits Indices 31/12/75 = 100,00 and Index-Linked 30/4/82 = 100.00. \*\* 1996 highs and lows.

Jun 21 J

Low

| Benchmark               |               | Red      |               | Day's   |          | Week      | Month      |
|-------------------------|---------------|----------|---------------|---------|----------|-----------|------------|
|                         | Coupon        | Desta    | Price         | change  | Yleid    | _ago_     | ago        |
| Australia               | 10,000        | 02/06    | 106,7840      | -0.070  | 8.96     | 9.08      | 8.77       |
| Austra<br>Austra        | 6.260         | 05/08    | 96,9100       | +0.330  | 6.68     | 6.67      | 6.43       |
|                         | 7.000         | : 05/08  | 101.1800      | +0.410  | 6.83     | 6.83      | 6.68       |
| Selgium<br>Canada "     | 7.000         | 12/06    | 93,8100       | +0.500  | 7.88     | 7.81      | 7.75       |
|                         | 6,000         | 03/06    | 103,1200      | +0.380  | 7.53     | 7.56      | 7.39       |
| Donymerk<br>France STAN | 5.750         | 03/01    | 100.1250      | +0.250  | 5.71     | 5.69      | 5.56       |
| CAT                     |               | 04/06    | 104,6200      | +0.310  | 6,58     | 6.59      | 6.45       |
|                         | 6.250         | 04/06    | 97.4000       | +0.310  | 6,61     | 6.65      | 6.42       |
| Germany Bund            | 8.000         | 28/26    | 101,5500      | +0.500  | 7,77     | 7.84      | 7.61       |
| iraland<br>maka         | 9.500         | 02/06    | 101.4400      | +0.490  | 9.27†    | 9.52      | 9.53       |
| italy<br>Japan No. 140  |               | 06/01    | 119,1003      | +0.200  | 2.32     | 2.29      | 2.46       |
| Japoen No.140<br>No.182 |               | 09/05    | 97,9814       | -0.070  | 3.29     | 3.20      | 3.42       |
|                         | 6.000         | 01/06    | 96.2200       | +0,360  | 6,54     | 6.56      | 6.31       |
| Netherlands             | 11.875        | 02/05    | 117.5000      | -0.110  | 8.87     | 8.95      | 9.03       |
| Portugal                | 8.B00         | 04/08    | 99,0600       | +0,860  | 6.92     | 9.21      | 9,18       |
| Score                   | 8.000         | 02/05    | 0.0000        | -       | \$,00    | 8.60      | 844        |
| Sweden                  | A.000         | 12/00    | 102-20        | +7/32   | 7.29     | 7,37      | 7.35       |
| UK Gaits                | 7.500         | 12/06    | 96-10         | +17/32  | 6.08     | 8.11      | 7,93       |
|                         | 9.000         | 10/08    | 106-19        | +21/32  | 8.14     | 8.22      | 8.09       |
|                         | 6.875         | 05/06    | 99-16         | +6/32   | 6.94     | 6.97      | 6,56       |
| LIS Treasury "          | 6.000         | 02/26    | <i>8</i> 5~17 | +12/32  | 7.09     | 7.11      | 6,86       |
|                         | 7.500         | 04/05    | 103.1000      | +0.490  | 7.01     | 7.09      | 6,87       |
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|    | as Lowest martin deposits  | OR CALL DIRECT   | Tel: (49) 40 301 870   |

| Sep             | Open          | Sett price    | Cusade      | High        | LOW          |            | Open int   |
|-----------------|---------------|---------------|-------------|-------------|--------------|------------|------------|
|                 | 116.29        | 116,43        | +0.48       | 116.70      | 116.22       | 41309      | 57906      |
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| 11860           | -             | 1.34          | 1.84        |             | 1.41         |            | 2,61       |
| 11700           |               | 1.09          | 1.60        |             | 1.65         |            | 2.87       |
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|  |                       |                   |                       |         |                              | Jun 1                     | 7 Yrago                   | High*              | Low        |                |           |         |                  |             | iun 20   | Jun 19                   | Jun 1          | B _ J           | un 17              | Jun 1                      | 14          |
|  | 92.32                 | 92.0              |                       |         | 91.92                        | 92.9                      |                           | 96.34              | 91.59      |                | it Edge   | d han   |                  |             | 75.9   | 77.0                     | 102.0          |                 | 55.2               | 77.                        | 3           |
| Govt Sect (UIC   |                       |                   |                       |         |                              |                           | 0 112.38                  |                    | 110.74     |                | ity sy    |         |                  |             | 77.5   | 77.5                     | 77.7           |                 | 74.3               | 78.                        |             |
| Fixed Interest<br>for 1999, Governmen                  | 111.48                | ۱۱۱۰۹<br>محمد د   |                       | 39 1    | w +37                        | 4 800.00                  | 1/26 km 46                | 18 638             | 178 For    | H 1414-141     | e menti a |         | والمادة          | rc 1994     |  |                          |                |                 |                    | riment Se                  | cunties     |
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| 12 (22) 24 (220 )                                      |                       |                   | ,                     |         |                              |                           |                           |                    |            |                |           |         |                  |             |  |                          |                |                 |                    |                            |             |
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| UK GILTS   | PKILLE                |                   | بنين                  |         |                              |                           |                           |                    |            |                |           |         |                  |             |  |                          |                |                 |                    |                            |             |
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|  |                       | field             | Decar C               |         |                              | 998<br>LOW                |                           | 16.                |            | Yield<br>Red   | Sec. C    | + 01" - | 1º               | 389<br>WO.) |  | ilistes.                 | r in           | eki<br>(2) Pric | m + 2 g            | - High                     | 8991<br>WOL |
|  |                       | Red               | Price £               | 10-     | Her                          | - 100                     |                           |                    |            |                |           |         |                  | _=          |  |                          | <del></del>    |                 |                    |                            |             |
| Sharetan' (Listen et la Fri                            | Years)                |                   |                       |         |                              |                           | Trees 71 opt              | 2008##             | 7.79       | 6.02           | 8614      |         | 101              | 944         | indu: Unio                                       |                          |                |                 |                    |                            |             |
| Times 2pc; 1998  | . <u>03</u> 1         | 5.75              |                       |         | 2184                         | 2151                      | Total 74 pt.              | 2008##             | 7,9;       | 3 B.06         | 975       | +/2     | 1034             | 96          | 45 <sub>8</sub> pc '984                          |                          | 1.1B<br>3.10   |                 | 13¼ -<br>798 -     | NG 11343<br>NG 1804}       | 111,2       |
| Conversion 10oc 1996                                   |                       | 5.62              |                       |         | 1034                         | 10144                     | Treas êpe 20              | 02-644             | 6.01       | 8.02           | 997       | والب    | 104              | 97%         | 21 <sub>20</sub> c 01.<br>21 <sub>20</sub> c 03. | (78.8)                   | 3.10           |                 | 7445               | 를 113년<br>를 180년<br>월 176년 |             |
| Trees 13 upc 1987#-                                    | . 12.70<br>. 10.19    | 5.57<br>5.81      | 1043                  |         | 107名<br>104名                 | 104点                      | New 114p                  | 2003-7.            | 9.8        | 7.83           | 11933     | 178     | 1252             | 11835       | 4 apr 114  | ±(1354)                  | 3.37           | 3.75 1          | 14,2               | -,2 (16/2                  | 11233       |
| Exch 10 200 1997                                       |                       | 5.83              | 1014                  |         | 1014                         | 100%                      | Trans 81200               | 2007 #             | 82         | 7 8,10         | 10285     | وكب     | 10033            | 101&        | 2pc 108  |                          | 3,45           |                 | 82 <u>4</u> ·      | <u>ال</u> 1926 أ           |             |
| Trees 67c 7pc 1997##                                   | -                     | 5.97              | 1034                  |         | 1043                         | 100                       | Tress 13 <sup>1</sup> 204 |                    | -          | 7.90           | 1313      | +43     | 13843            | 13013       | 21 <sub>2</sub> pc 109.                          |                          | 3.55<br>3.50   |                 | <b>833</b>         | 4 167                      |             |
| Each 150c 1997   |                       | 6.02              |                       | ~       | 1741                         | 1117                      | Traces Spc 20             |                    |            |                |           | ===     | 11293            | 105         | 21 <sub>2</sub> pc 11.                           |                          | 3.63           |                 | 257<br>257         | 1734<br>17 143             |             |
| Està 9/coc 1998  | 9.28                  | 627               | 105                   |         | 1064                         | 104/2                     | Trees and 20              |                    |            |                |           |         | 10412            | 9683        | 21 <sub>2</sub> 95 13.<br>21 <sub>2</sub> 96 16. |                          |                |                 |                    | 143<br>1524                |             |
| Titles 73 pc 1998##                                    | _ 7.15                | 5.38              |                       | 44      | 702                          | 100                       | Tress 6 1/4o              |                    |            |                |           |         | 661              | 814         | 21-mc 20.  | 683.01                   | 1.70           |                 |                    | 146                        |             |
| Trees 64pc 1995-98## .                                 | _ 6.73                | 6.54              |                       |         | 101                          | 8916                      | liem a ruch               | ـــــالانت         | 1-3        | ريعو ا         | 1976      | 714     | nelit            |             | 21 <sub>20</sub> c 24                            | ±(97.7)                  | 3.69           |                 | 171                | - 122                      |             |
| Treas 157200 1981                                      | 13.09<br>10.77        | 6.69<br>6.73      |                       |         | 1224                         | 11743                     |                           |                    |            |                |           |         |                  |             | 41 <sub>apc</sub> 301                            | (1. <b>25</b> 1)‡        | 3.69           | 3,84 1          | 15%                | rji 150i4                  | 1137        |
| Exts 12pc 1998   | _ 10.//<br>9.95       | 6.80              |                       | 7       | 114 <u>1</u><br>105 <u>1</u> | 105%                      |                           |                    |            |                |           |         |                  |             | Prospective                                      | e reaf rade              | motion e       | de on t         | orojected          | infanco                    | of (1)      |
| Treas 9 <sup>1</sup> 296 1998†‡<br>Treas Rep Reto 1999 |                       | -                 | 95%                   |         | 1002                         | 84%                       |                           |                    |            |                |           |         |                  |             | 10% and I  | 2) 5%. (b) 1             | igures in      | parenti         | uses sh            | ow APIb                    | ase lor     |
| Each 12 Lac 1999                                       | 10.82                 | 6.86              |                       | +3      | 1160                         | 1125                      |                           | _ ` .              |            |                |           |         |                  |             | incientino fi                                    | a 6 manths               | prior to b     | sauci an        | d hove t           | евп афи                    | attect to   |
| Tings 107-pc 1999                                      | 9.61                  | 8,01              | 109 <sup>1</sup> 4    | +3      | 1124                         | 1083                      | Over Filters              |                    | 84         | 6 624          | 105%      | . 30    | 77262            | 104%        | reflect reb                                      | esting of Ri             | Pito 100       | ) in Feb        | xuary 1            | 187. Con                   | version     |
| Trees Bog 1989 #                                       | 617                   | 6.97              | 97                    | +44     | 90%                          | 95                        | Comor Specia              |                    |            |                |           |         | •                |             |  | is. API for              | Осторы         | 1995, 1         | 49.6 enc           | NO MARY                    | 1996.       |
| Comercine 104pc 1989.                                  | 9.37                  | 7.09              |                       | **      | 11233<br>10046               | 10833                     | Trees Opc 20              |                    | 84         |                |           |         |                  | 1043        | 1 <u>\$2 B</u> .                                 |                          |                |                 |                    |                            |             |
| COUN Jake 5000##                                       | . ILSI<br>10.85       | 7 19<br>7.28      |                       | ***     | 12448                        | 104)<br>1193              | Trees 5720c               |                    |            |                |           |         | 124              | 75%         |  |                          |                |                 |                    |                            |             |
| Trees 13pc 2000  | 10.05<br>12.38        | 5.48              |                       | 3       | 116                          | 1138                      | Treats dos 20             |                    | 82         |                |           | _       | 103}2            | 25\}        | AH   | ا المحمد ا               | مدمالحا        |                 |                    |                            |             |
| Trees 14pt 1996-1                                      | 7.80                  | 7.29              |                       | - 1     | 1054                         | 1012                      | Treas 7 4 pc              | 2012-15#           |            |                |           |         | 101              | 9311        | <b>Utilet</b>                                    | Fixed                    | uthete         | -51             |                    |                            |             |
| Treas (Dec 2001  | . 9.09                | 7.40              | 110                   | +4      | 314                          | 108                       | Trans Spc 20              | 76                 | 82         | 4 8.29         | 371       | +岩      | 1037             | 85 <u>%</u> |  |                          |                |                 |                    |                            |             |
|  |                       |                   | _                     | _       |                              | -                         | Trees & lupc              | 2017##             | 8.4        | 2 8.34         | 1032      | +33     | 1114             | 10212       |  |                          |                | <b>=</b>        | · -                |                            | 1996        |
|  |                       |                   |                       |         |                              |                           | Exch 12pc 2               | 913-17 <sub></sub> | 0.0        | 5 <b>8.3</b> 9 | 1325      | +37     | 141%             | 130]}       |  | Highe                    | int            | Red P           | nce£+α             | r– High                    | 100         |
|  |                       |                   |                       |         |                              |                           | Trees too 20              | <u>د</u>           | w          | 8.28           | 963       | +33     | 90%              | 95]3        | Asian Day 10                                     | 140C 2009                | 9.00           | 845 1           | 1263               | 120                        | 11133       |
|  |                       |                   |                       |         |                              |                           |                           |                    |            |                |           | _       |                  |             | Proper 11721                                     |                          | 9.43           | 8.93            |                    | 135                        |             |
| Flore to Fillings Years                                |                       |                   |                       |         | -84 9                        | -                         |                           |                    |            |                |           |         |                  |             |  | Pape 10                  | 8.04           |                 |                    | 1083                       |             |
| Trees 7pt 2001 \$#                                     | . 7.16                | 7.49<br>7.85      | 9772<br>1104          | 拙       | 1이스<br>11년                   | 96 <sup>2</sup> 2<br>1063 |                           |                    |            |                |           |         |                  |             | Spc Cap 10                                       |                          | 8.65           |                 | 104 -              |                            |             |
| Tress (P-upo 2002                                      | _ 8.85                | 7.71              |                       |         | 1058                         | 8037                      |                           |                    |            |                |           |         |                  |             | 13pc 107-1                                       |                          | 11.72<br>10.29 |                 |                    | 1107<br>1523               |             |
| Treet 8pc 2003##                                       | _ (.es                | 7.77              |                       | +10     | 1172                         | 1105                      | Undated                   |                    |            |                |           |         |                  |             | Leede 13 <sup>1</sup> 26                         | c 15pc 2011<br>c 2008    | 10.33          |                 |                    | 1361                       |             |
| THE 112 201-4  |                       | 7.54              |                       | +,      | 118                          | 1146                      | Coasels 4pc               |                    | 84         | • -            | 47        | +2      | 50[2             | 46%         |  | pc irred                 | 9.09           |                 | 39J <sub>2</sub> _ | 41                         | 35          |
| Rending 31 <sub>2</sub> gC 1995 4                      | 4.38                  | 6.72              |                       | +4      | 83 <u>91</u>                 | 78¥                       | War Laga 31               | øc##               | 8.3        | 5 -            | 411       | -2      | 4512             | 412         | LCC 3pc '20                                      | M                        | 9.09           | -               | 33 .               | 35                         |             |
| Communica 912 pc 2004                                  | _ 8468                | 7.92              |                       | Ηį      | 114                          | 107代                      | Com 2 200                 | Ŝī AR              | 58         | 7 -            | . 50°-    | +2      | 821 <sub>4</sub> | 58&         |  | 11 <sup>1</sup> 2pc 2007 | 9.66           | 6.83            | 741                | 1242                       |             |
| Trees 6-lapt: 2004##                                   | . 128                 | 7.92              |                       | +12     | 96提<br>114提                  | 91 Å<br>108 Å             | Tress Sec 15              |                    | - 8.5      |                |           |         | 381              | 34,5        | Mar. Wr. 3p                                      |                          | 4.03           |                 |                    | 76<br>1414                 |             |
| Com 9 12 pc 2005                                       | . 8.68<br>. 9.97      | 7.97<br>7.89      | 109 <u>13</u><br>1254 | ゼ       | 1313                         | 1231                      | Corectis 2 los            |                    | 83         |                |           |         | 328              | 29-         | Writte Ange                                      | a 37apc 2021 .<br>™      | _              |                 |                    | 1414<br>1384               |             |
| Tress 1212pc 2009-5<br>Tress 8 120c 2005##             | 9.97<br>8.72          | 7.97              | 103%                  | +3      | 1067                         | 1013                      |                           |                    | 84         |                | 295       |         | 32,1             | 29%         |  | 14 <sup>1</sup> -15 2000 | 12.74          |                 | 291                | 1364                       |             |
| ● Jan, appy ≒ Ja                                       |                       | •                 |                       |         | _                            | ••••                      |                           |                    | _          |                |           |         |                  |             |  |                          |                | •               | _                  |                            |             |
| Prospective red index                                  | - Creation            | demp <sup>©</sup> | on yiçidi             | No c    | icuber.                      | by H                      | SBC Groenw                | en trom a          | lank of Er | Apparer o      | d Butto   | dese.   | en pou           | ncs pe      | L FJAN MANA                                      |                          |                |                 |                    |                            |             |

Number One Southwark Bridge, London SE1 9HL Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700

Saturday June 22 1996

# The sins of the fathers

When the prodigal son returned from his spending spree, he was lucky to find brothers working to finance his bout of consumption. Alas for the nations of Europe, they cannot turn to a bountiful parent, nor get much help from stronger economies. For 20 years, the governments of all advanced countries have been almost equally profligate.

Now, in an extraordinary conjunction of virtue, they are all seeking to retrench. The results are likely to be far from comfortable. The Organisation for Eco-nomic Co-operation and Development said in its latest Economic Outlook this week that the simul-taneous attempt by all the big economies to cut their deficits "will represent a unique situation in recent history".
For European Union heads of

government meeting in Florence this weekend, blunter words might be appropriate. It is a dreadful position to be in, as growth faiters and unemployment in the Union moves up towards 19m people or more than 11 per cent of the workforce. Yet despite the wringing of hands, the options now open to European governments are fairly limited - as is usual for

European monetary union, which has been invested with huge political significance in France and Germany, requires that countries wanting to sink their currencies into the Euro must cut general government deficits to no more than 3 per cent of national income by 1999.

The OECD estimates that even taking account of the tough measures implemented last year, all the larger countries will fail. France and Germany are trying to make further cuts but they may not be enough. An Emu compris-ing Denmark, Finland, Ireland, Luxembourg and the Netherlands is hardly the way to begin a new chapter in the continent's history.

Untouchable criteria

If the larger countries including Germany and France were to raise taxes (or cut spending) enough to meet the target, this would per cent of the EU's gross domestic product, just the opposite of what is needed to provide more

Perhaps they should follow the lead of Bobby Fischer, the former world chess champion, who wants to jumble up the pieces on the principle that if you cannot beat the system, change it. The criteria laid down for monetary union by EU leaders in Maastricht may be arbitrary, but like the laws of chess they seem untouchable.

convergence of long bond rates in EU countries including France and Germany.

So any backsliding from the Maastricht timetable could send an adverse signal to the markets, push up long rates and make the prospects for growth significantly bleaker. Besides, the reasons for wanting to pass through the Maastricht defile are compelling even without the shadow of monetary union. EU governments have piled up debts equal to more than 75 per cent of total GDP, almost twice the proportion at the end of the

Financial rectitude Germany, that model of finan-

cial rectitude on which the ideals of monetary union were once based, is now producing a string of statistics which look as if they were "made in Britain". Its public debt is now higher as a proportion of national income than the UK's, despite the UK's orgy of deficit financing since 1990. Its unemploy ment rate is not only higher than the UK's but expected to increase to 10.4 per cent of the workforce by 1997, compared with a decline in the UK to 7.5 per cent. And just to make things more difficult, Germany's latest money supply fig-ures (M3) last week showed an annual growth rate of 10 per cent, the same as the growth rate of Britain's M4, both above target.

So the balance between taxes and spending can hardly be loos ened, even if it is decided to dilute the Maastricht criteria with a splash of pragmatism. That leaves interest rate policy - on which the OECD clearly pins its best hopes. The German discount rate at 2.5 per cent is at its lowest since the 1950s apart from a couple of epi-sodes. The repurchase rate, at 3.3 per cent might perhaps be edged lower, but the latest money supply numbers hardly encourage this.

The authorities' best hope is of creating a virtuous circle in which fiscal tightening will encourage long rates to come down and, after a bumpy ride, help to encourage a renewal of growth. Clearly this in the US. But although short rates have risen, bond rates may not need to rise much providing inflation is kept under control. And if the economies can come through an unpleasant period relatively unscathed, the OECD foresees at least one great prize: extremely subdued inflation, perhaps even lower than 1 per cent by 2000. The bond markets have

not yet moved into this brave new

world. Perhaps they will not

believe it until they see it.

# Not yet peace in our time

والمتعاري والمتعاري والمتعاري والكناب ويرسي ويولي والمتعاري والمتعار والمتعاري والمتعار والمتعاري والمتعار والمتعاري والمتعار والمتعاري والمتعاري والمتعاري والمتعاري والمتعاري والمتعاري والمتعاري والمتعاري والمتعاري والمتعار و

Tory backbenchers are reserving judgment about Mr Major's success in handling the beef crisis, say **Robert Peston** and **John Kampfner** 

ohn Major appears to be dogged by a mischievous angel in his dealings with the European Union. From his attempts to convince the British electorate that he has won a famous victory against EU intransigence, if it can go wrong it probably

His journey to the Florence summit was strewn with problems. On Thursday night, the prime minister's flight from London was diverted to Pisa because of a power failure at Florence airport.

But Mr Major struggled on. And although the EU summit in the heat of Florence yesterday agreed a framework for the gradual lifting of the EU ban on British beef exports, UK attempts to portray the agree-ment as meeting all its objectives were immediately ridiculed by other

The confusion stemmed from whether the UK would be allowed to sell beef to countries outside the EU before it is able to export the meat to Europe. The UK interpreted a single sentence issued by the EU presidency, Italy, as giving it this opportunity. Others said the sentence was more or less meaningless. "Frankly it was a symbolic gesture to allow Major to pretend to his party that he is riding home in triumph," said an official from another European country.

The UK government reacted furi-ously. "The Commission cocked it up." said a senior British official. But what really overshadowed the prime minister's expected hour of glory was the report, which surfaced only hours after he reached Florence, that Mr David Davis, the UK's foreign office minister for Europe, had offered his resignation. One of his most ambitious ministers, Mr Davis played a central role in the government's campaign to disrupt EU business over the past

Mr Davis had apparently written a letter saying he wished to quit for a mixture of personal reasons and unhappiness at the direction of EU policy. His resignation had not been accepted and he was said to have been placated by the offer of a cabinet post later this year.

month.

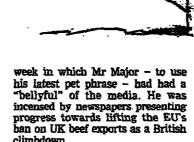
It later emerged that his discontent probably preceded the campaign to disrupt EU decision-making. But even so, the disclosure reports were potentially damaging for the Tory party's fragile unity. The rot had to be stopped. Some time after 2am yesterday, a state-

ot irom Mr Davis was eventually

produced, dismissing the reports as

'rubbish". He would be arriving in Florence to play a full role in the government's negotiations. But on the question of whether and when a letter had indeed been written, Downing Street officials refused to be drawn. In a world of mutual mistrust between journalists and government, a non-denial is regarded as confirmation. What the prime minister described as a "silly

story" is thus unlikely to subside The incident came at the end of a



He insists he has achieved all the goals set when launching his campaign of refusing to co-operate in EU decision-making. "When we pressed the button, we made it perfectly clear that we wanted a lifting of the ban on exports of derivative products [semen, tallow and gelatine] and a framework for the eventual lifting of the whole ban," says one of his close colleagues. "And that is what we have got."

The problem for Mr Major is that while he may have been careful over the past few weeks not to elaborate on these goals, some of his ministerial colleagues were not. accept any increase in the cattle cull and allowed the idea to gain currency that there would be a firm timetable for lifting the ban. In the event, the UK has been

forced to agree to a significant increase in the number of cows to be destroyed in an accelerated programme of slaughter. The statement on mad cow disease in the summit declaration increases the probability that future decisions on the phased lifting of the beef ban will be based on "scientific and technical advice" and not be vulnerable to European political rivalries. available day to table an opposition But the plan agreed yesterday does not contain a timetable for lifting the ban on UK beef exports.

It is all a far cry from ministers' hopes a month ago that the campaign against the EU would bind the Tory party together and enthuse the UK electorate Meanwhile, senior members of the cabinet are now distancing themselves from the nationalist element of the battle. Mr Malcolm Rifkind, the UK foreign secretary, insisted that "it was newspapers that adopted all this stupid rhetoric about war and Falklands factors and all this rubbish", although he did not "doubt that there were some parliamentarians who also got carried away".

n assessing the final balance sheet of the European offensive, Mr Major's allies say he trastic action. The sight of Mr Douglas Hogg, the agriculture minister, being rebuffed in European capitals in his attempts to lift the beef ban, had increased hostility among Eurosceptics at Westminster. "Dear old Douglas kept on coming home and saying 'we're making progress but it won't be today'," said one minister.

Now the crucial question for the prime minister is how his parlia-mentary colleagues will react to the Florence deal. Labour business managers are likely to use the next motion to condemn the government's handling of the beef crisis.

Gauging the Tory party's mood yesterday was difficult, since MPs had returned to their constituencies for the weekend. But some of the more aggressive Eurosceptics were surprisingly emollient. Mr Bill Cash, the MP for Stafford who has been a constant thorn in Mr Major's side, said the "tough action" had "brought a resolution to the question sooner than expected". There was even praise for Mr Jacques Santer from Sir Teddy Taylor, the arch-Europhobe MP for Southend. He said the European Commission president had been "more than helpful".

However most backbenchers said they wanted the weekend to mult over the deal and ascertain whether. the government had secured any ie arran the UK can resume exports to countries outside the EU. One former minister made clear that the stakes were high. "If Major has let us down, he'll rue the day he ever started this," he said.

Mr Major had hoped the decision by the backbench 1922 committee to prevent any leadership challenge until after the next election would end the sniping against him. But while there has been the odd month of relative peace since last summer's leadership election, the government's disclosure in March of a possible link between BSE and Creutzfeldt-Jakob disease in umans shattered any hope of calm.

The febrile atmosphere of recent weeks - when the prime minister has been trading thinly disguised insults with his predecessor, Lady Thatcher - mirrors events exactly a year ago. Then, a series of hostile meetings with backbenchers convinced Mr Major he had no choice but to "smoke out" his adversaries and invite them to challenge him for the party leadership.

There is no speculation about a further leadership contest at the moment. In spite of Labour's commanding lead in the opinion polls, there is even talk about an autumn general election, rather than going to the country at the last possible

moment next May. "Personally I think it would be collective suicide to go so soon." "although Major has this funny

habit of taking us by surprise." But even recognizing Mr Major's penchant for the unexpected, an early election in part depends on some improvement in the party's popularity. That in turn depends on restoring Tory unity.
Pulling off both, in the words of

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Mr John Redwood, last year's challenger for the party leadership. "hinges on Europe". Comme tou-jours, Mr Major might have mused yesterday, in a fleeting gesture of

# ·LETTERS TO THE EDITOR·

Number One Southwark Bridge, London SE1 9HL

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# Immense potential to be unleashed in E Europe

From Mr Keith Richardson. Sir, The rampant Euroscepticism of Martin Wolf's article ("Thinking the unthinkable". June 18) defies belief. To dismiss the strategic importance of Europe's internal market by a comparison with Hong Kong is facile. Where would Hong Kong be without its "privileged access" and indeed leading role in one of the world's most dynamic internal markets, namely China?

Every region in the world is different. Europe should learn what it can from the Far East but has to build on its own strengths and most positive dynamic factor in Europe is the slow evolution from mid-century fragmentation towards the open and integrated economy in which skills and resources flow freely, to the benefit of customers. workers and investors alike.

The internal market is one step on the road, still uncompleted, but it has already made a decisive contribution towards cutting costs and checking inflation throughout

Sir, Francis Fishwick's suggestion

that the abolition of the Net Book

Agreement in the UK has failed to

trigger a surge in sales ("Ending

Net Book Agreement fails to boost

sales", June 20) is premature. It will

take some time for the new regime

century of regulation, and there are

chairman of HarperCollins, recently

to bed down after more than a

already pointers to its likely

Mr Eddie Bell, executive

Europe. The single currency is the essential next step, buttressed as it must be by continuing financial disciplines. Enlargement into central and eastern Europe is a further move of immense implications - like finding a Far East on our own doorstep if we can

The issue for the UK is whether it wishes to play a leading role in this process or not. Staying in will be hard and raise many complex problems, to be tackled in concert with friendly partners. But going out would be harder, a step into the unknown, posing challenges that are quite unpredictable. It is the British voters who would pay the cost. They deserve to be better informed before they decide.

unleash the potential there.

Kelth Richardson, secretary general, The European Round Table of Industrialists, Avenue Henri Jaspar 113,

The Fourth Estate had reached

268,000 copies against an initial

sales projection of 175,000 copies. There is clear evidence that this is

because of the abolition of the Net

Book Agreement and the efforts of

Here in Exeter, Waterstone's and

Dillons are both selling The Fourth

Estate at its full price of £16.99 - for

all the world as if the NBA was still

in operation. W.H. Smith is offering

discounted copies at £8.49. But the

independent booksellers that Mr

Fishwick claims are powerless in

the face of large chains.

# Out of tune with this game

From Mr Tom Gillie and

Mr Owen Cryan.
Sir, If the music headed Ode to
Joy in the illustration to the article Why soccer is still scoring" (Weekend FT June 8/9) is to be our guide, our chances of playing the tune adopted for the European Football championship will be even lower than England's chance of winning it.

Tom Gillie, aged 8, Owen Cryan, aged 9, 19 Huddleston Road, London N7 0AD, UK

From Mr Geoff Gibas. Sir, Yellow card for Simon Kuper! While football demonstrates europhilia the Financial Times writes for North America ("Why soccer is still scoring",

Even CNN calls the beautiful game football . . . not to mention Fifa, Uefa and the FA. Play the game gentlemen, please.

Geoff Gibas, Gibas & Partners. B-1560 Groenendaal,

# Extend powers of the Queen

From Mr Ted Robinson. Sir, The Liberal Democrats' proposal to curb the Queen's powers astounds me. What is needed in this age of ignorant and incompetent politicians is surely an extension of the powers of a level-headed monarch such as our Queen. I was considering

Conservatives to the Liberal Democrats, but this incredible news puts my vote in the melting pot

Lustleigh, Devon TQ13 9TJ,

transferring my allegiance from the

real bargain is from a small high

new regime to its heart. It is

street bookshop that has taken the

offering The Fourth Estate at £7.99,

and if you chance to call during its

same firm is offering the latest John

Grisham book at a large discount.

The gap between the two large

nothing has happened post-NBA,

scarcely be making a profit, is far

too wide. No doubt the market will

and the small shop that must

"happy hour" the price falls by a

further 10 per cent to £7.19. The

chains which are pretending

2 Pound Cottages,

chains typically offer a 33 per cent

Premature to suggest ending of Net Book Agreement is ineffective settle down to something akin to the US experience where the larger

> discount on the top 10 sellers. Mr Bell's achievement in selling 268,000 copies of Lord Archer's stately volume suggests sales will increase, and by more than enough to cover lost margin. The key, of course, is genuine new sales.

W.J. West, Moorhayes 36 Fairpark Road,

# **BAA regulatory** regime comes at high price

From Mr Gideon Nellen. Sir, Why is BAA's share price trading at a prospective earnings multiple of more than 14 whereas most other regulated monopolies trade at 10? Lex (June 13) answers this question by pointing out that the Monopolies and Mergers Commission (presumably relying on evidence from BAA) underestimated BAA's capital base and allowed it to earn 10 per cent on its capital rather than the target

are speculating on the cosy regulatory regime continuing. However, the MMC would also have relied on BAA's flight forecasts. As BAA has consistently underestimated these it is likely that the MMC would have done likewise. Its price-capping of landing fees artificially stimulates an insatiable appetite by the

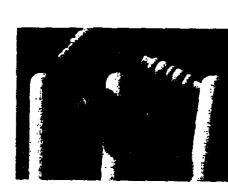
of 7.5 per cent and that investors

charges are already among the lowest in the world. The scale of the under-charging has been estimated at £50m a year a sum which could usefully be levied by the government and spent on, for example, upgrading London's ailing underground

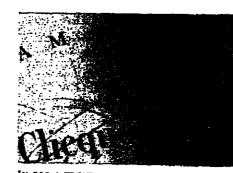
airlines to land at Heathrow, where

transport system. The UK is paying a very heavy price for this perverse regulatory regime which subsidises airlines to use Heathrow and which fails to recognise the environmental impact on London which this policy

Gideon Nellen, Nellen & Co, solicitors, 19 Albemarle Street, London WLX 3HA, UK



OUT FOR A DUCK



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THE CHENNILL TEST WATER Y THEIR LORD'S 20-24 june GUNINGTON OPERA 20 June - L4 July WHILE COUNTRY TO WAR CONTROL WITH YET TE CLICKEST GOIS CLIF PORD, CONDUCT PU # Juan -21 July HITCH ROLL RIGHT. HERPTON COPER PALACE INTERNATIONAL DE BRITCH GREND PRIS. MENERATONE

14 jub

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CHAMPAGNE OF THE SEASON



Mr Lebed's instinct for grasping the main chance has been demonstrated over the past few days with a series of deft political manoeuvres which have transformed the unemployed soldier into one of the men most likely to succeed Mr Boris Yeltsin as the coun-

in less than a week, Mr Lebed has managed to use his unexpectedly strong third place showing in last Sunday's election to seize one of the most influential jobs in the country. His admission into the Kremlin came at the will of Mr Yeltsin, who gave his former rival top job in the powerful Security Council in an effort to win the support of the 11m Lebed voters in the second-round ballot on July 3.

Mr Lebed acted quickly to transform this presidential gift into real power. Just a few hours after stepping into his new post, the maverick commander was already ruffling feathers with his casual announcement that he had thwarted a "mini-coup"

planned by five generals loyal to Gen Pavel Grachev, the former minister of defence who was sacked at the same time that Mr Lebed was appointed. Mr Lebed's boldness earned him a swift public rebuke from Mr Victor Chernomyrdin, the prime minister, who dismissed the new security chief's claim

Man in the News · Alexander Lebed

# Crown prince in command

Chrystia Freeland on the general who could yet be Russian president

advised the newcomer to "behave more quietly". Yet less than 24 hours later, Mr Lebed was at it again, warning that 'any mutiny will be quashed with extreme severity" in a 3:30am televi-

It was this nocturnal performance which marked Mr Lebed's emergence as something more than a cheerleader for the Yeltsin campaign. By taking to the airwaves, the towering military man who had campaigned on a moderate nationalist ticket openly aligned himself with the Kremlin's liberal faction in its pitched battle against the hardliners.

So far, that looks to have been an astute move. Mr Yeltsin, who has been both prize and referee in the three-year internecine contest between the reformist and conservative wings of his government, this week handed a significant victory to the reformists by sacking the three top hawks from his government.
That outcome has been dou-

bly good for Mr Lebed. It has earned him the gratitude of the triumphant reformers, who publicly credited Mr Lebed with their victory. And, with most of the country's hardliners gone, Mr Lebed's rule over the nation's vital security forces today seems virtually unchallenged.

This week's elevation is lit-tile short of a political miracle for a man who was in disgrace less than a year ago for his quarrels with army top brass. He was forced to abandon the dusty provincial town of Tiras-pol, capital of a Russian breakaway enclave in the former Soviet republic of Moldova where he commanded the 10,000 strong 14th army. But in the eyes of many political observers, not least Mr Lebed himself, it is merely the harbinger of greater things to

Even two years ago, as an obscure officer stationed on the outskirts of a crumbling empire whose main distinction was a talent for insulting his superiors, Mr Lebed believed he was destined to rule Russia. He-had watched the seemingly hegemonic Soviet regime crumble in hot spots including Afghanistan and the coupthreatened Moscow of August. 1991. He publicly mused that the Kremlin should be occupled by a stern military man in the mould of General Augusto Pinochet, the former Chilean leader, and offered himself in that role "if the

country needs me". A physically imposing man who boasts of his daily cold showers and moderate drinking habits, Mr Lebed's confidence has been understandably bolstered by the heady events of the past six days. Just a few hours after polls had closed showing him in third place, Mr Lebed was already gruffly informing television viewers that his strong performance was inevitable because he was "a born winner". When he strode into the Kremlin two days later to join the president's team it was with the confidence of the nation's crown prince.

hat is an impression the country's sover-eign, Mr Yeltsin, has been happy to foster, hinting publicly that Mr Lebed is his chosen successor, But there are dangers for the exgeneral in tying his fortunes too closely to the current

The biggest question hang-ing over the government Mr Lebed has just joined is the July 3 run-off between the president and Mr Gennady Zyuganov, his communist challenger. Mr Yeltsin's 3 per cent lead in the first round of voting has made many observers complacent about the final showdown, sparking a forecast of victory by many of the pres-ident's senior supporters and a surge in the Russian stockmar-

But some Russian politicians and western observers are less sanguine. Foremost among the prophets of doom were the ousted hardliners who had been insisting this week that

Mr Yeltsin stood a good chance of being defeated. They argued that in contrast with the communists' highly motivated constituency of some 25m, Mr Yeltsin's backers are less passionate and more likely to skip the tiresome second round of voting altogether. They also predicted that summer holidays and the conclusion of the Moscow mayoral race, which had helped bring out the vote in the capital, could further

levels of support. It is Mr Lebed's assignment to tilt the odds back in Mr Yeltsin's favour by persuading most of his supporters to follow him into the Kremlin camp. But while it is a mission on which Mr Lebed has wagered his political future, it could turn into the classic military nightmare; being given an order you do not have the resources to fulfil.

depress the president's fragile

The aggrieved communists have sniped that "voters are not serfs, who can be sold from one master another". That is a particularly apt com-ment for Mr Lebed, because his appeal has been mainly to an amorphous nationalist constituency which may not easily be persuaded to back a president who until a few days ago Mr Lebed was describing as "a minus" and "a sick former party boss' But even if Mr Lebed suc-

ceeds in convincing enough voters to support his former rival, he could still face a rocky future. In uniform, he had a rough tongue which sometimes jeopardised his career; he liked to describe the defence minister as "a prostitute", a nickname which ultimately forced the maverick officer into early

By his own admission, Mr Lebed is "new at this job of being a party bonzo". In the byzantine corridors of the Kremlin this outspoken son of the freewheeling Don cossacks could soon find that his independence makes it easy for opponents to outmanoeuvre

If he is as clever as he is ambitious, Mr Lebed will take as his model the other deepvoiced, rough-hewn provincial boy who made it to the plush confines of the Kremlin: Boris Yeltsin. Like his younger ally, Mr Yeltsin is a wilful, enormously self-confident man who also occasionally alienated his superiors during his long climb to power with impulsive attacks. But while Mr Yeltsin may look like the innocent flower, his folksy -even crude - exterior, conceals the serpentine heart of a cunning party functionary who rose to the top of the ruthless Soviet hierarchy.

Better than his protege, Mr Yeltsin knows that true power can only be seized. He is also certain to realise what may not have fully dawned on Mr Lebed: that all the authority the retired general currently enjoys was the president's gift. As three of Russia's mightiest men have already discovered this week, what the president



# Hollywood's excesses are to be reined in as earnings from film-making fall, says Christopher Parkes

big-budget Hollywood films promises record Lakings at US cinemas this summer, with likely ticket sales estimated at up to \$2.5bn

However, expectations of box office success have also raised urgent questions about whether profits might be much better if there was not quite so much of a good thing. Complaints are rife that films which would otherwise have enjoyed long runs are being pushed out of cinemas prematurely by the rush of new

Walt Disney's search for an answer was revealed this week when Mr Joe Roth, the group's studio chief, announced plans for the company to halve live action film output to about 20 releases a year. The move is the first by a leading studio to tackle the glut. It may also spell curtains for low-budget Disney movies such as Celtic Pride aimed at teenagers. Young audiences come and see hit movies like Twister just like everyone else, and are not interested in movies aimed at

them." said Mr Roth. Turister the tale of a tornado and its trail of destruction, started the season with a bang and has so far taken \$200m at the US box office. It opened two weeks ahead of cinema's traditional summer start on Memorial Day weekend at the end of May, to avoid clashing with Mission: Impossible starring Tom Cruise. Mission: Impossible broke all box-office records for the weekend, before being knocked off the top spot by The Rock, a Disney action movie set in Alcatraz.

This year's full-length animation feature from Disney. The Hunchback of Notre Dame, opened yesterday. Despite clashing with the release of

# Screened for viability



And cut: big studios plan to slash output as schedules become crowded with blockbusters such as Twister (left) and Mission: Impossible

Arnold Schwarzenegger's latest, Eruser, it is expected to be as popular as predecessors such as *Pocuhontus*. Still to come are an estimated three or four new releases every weekend until the end of August, including Independence Day, a \$75m alien-invasion thriller from 20th Century Fox. Thanks to its advance promotion as "movie of the year", it will be the only blockbuster released on the July 4 holiday weekend. But if summer came early to Hollywood this year, winter is close behind. Analysts say this year's profit prospects are no

brighter than last, when film earnings at market leader Disney fell an estimated 35 per cent. The three production companies owned by Turner Broadcasting System generated operating profits of just \$57m last year, a return of only 6 per cent on a \$1bn investment. Viacom, the entertainment

conglomerate, blamed poor

returns from its Paramount Studios for a 60 per cent dive in first-quarter earnings this year. Viacom has now promised a more "cautious" approach to film-making and is considering holding over until 1997 some of the 23 releases planned for this year. Disney's decision to halve

output was foreshadowed by a second quarter write-off of \$60m as a batch of development projects was cancelled. Rival studios saw the move as a retreat, signalling the failure of Disney and its associates -which routinely account for 20 per cent of Hollywood output to squeeze the competition by sheer weight of numbers. But the reasons behind the retrenchment are more mundane. They include cost-inflation and a gulf between film supply and demand. US cinema attendance is stagnant, the box office gross rose 1 per cent to a

record \$5.4bn last year thanks

only to higher ticket prices. sales to TV networks, are Yet the number of titles closely related to a movie's inireleased increased almost 10 tial performance. per cent and production and marketing costs rose by up to 15 per cent to more than \$50m a film. A shortage of sure-fire box-office stars has resulted in

a bidding war for leading actors which last year saw Sony Pictures paying \$20m to Jim Carrey, star of comedies such as Dumb and Dumber, for the lead role in The Cable Released last weekend, the \$70m black comedy is reported to have made an uncertain

start. According to Hollywood's rule-of thumb, a picture's ultimate financial success depends on it generating domestic box office sales of twice its production costs, so projections of \$90m in ticket sales for The Cable Guy suggest financial failure could be looming. Future revenues from video sales and rentals, and

However, the present squeeze has come too late to prevent the number of US film releases this year exceeding last year's 426. Inevitably there will be casualties. Late last year Carolco Pic-

tures, the independent studio responsible for the Rambo and Terminator series, collapsed and the assets were borreht by 20th Century Fox for \$50m. The independent's Cutthroat Island, a \$75m pirate saga, was the first casualty of 1996, sinking straight to the bottom shelf of the video rental stores. Several other independents, including Samuel Goldwyn and Hemdale Productions, have also col-

Others have found protection beneath the wings of acquisitive groups, Miramax, maker of Il Postino, is safe under Disney

patronage. New Line Cinema, responsible for early Jim Carrey hit The Mask and Seven, was acquired recently by Turner Broadcasting System and last year ordered to double

its output. The results have been less than rewarding so far. Turner has since written off \$60m against scrapped projects, while its Castle Rock studio maker of The American President - is up for sale.

But money, according to Dis-ney's Mr Roth, is not the only issue. There is simply not enough talent in the market to produce 40 well-told, well-directed and well-acted Disney films every year, he said.

Possibly not in Hollywood. But some studios are increasingly going further afield to unearth talent and alternatives to the special-effects, big-budget blockbusters which obsess

Tinseltown. For example, Castle Rock has bought in "art" movies, including US production The Spitfire Grill, the audience's favourite at a recent independent film festival. Columbia grossed more than \$100m with Sense and Sensibility, which featured a bost of British talent and was made for \$17m. And Universal's distribution last year of the \$4m Babe, the Australian-made charmer, reputedly made a handsome profit after the disappointment of the studio's own Water world, said to be the most expensive film ever

Hollywood would be a happler place if it had a pig like Babe for every turkey like Cutthroat Island. But success on a shoestring has never been part of the Hollywood dream. Founded on fantasy and excess, this will not fade easily despite the recent signs of

ponents make a Wetherspoon

pub like the 1,000 that go into a

BMW". Finally, he wants to further improve Wetherspoon standards of value and service

- "we're where British super-

markets were 35 years ago. We've everything to play for".

frozen food were two essential

Ten years ago, muzak and

# Portrait of a reviving market

Antony Thorncroft on hopes of a recovery in fine art prices

Europe, will take the rostrum for what could be the most important fine art auction in London for six years. In just over an hour he will try to raise at least £30m from 78 works of impressionist and modern art, including a landscape by Cézanne estimated to

be worth up to £4m. If successful he will have achieved London's highest auction total since June 1990 when a comparable sale brought in £36m. More important, success will signal that the recent revival in prices in the international art market has sure foundations.

It will also please Christie's, Sotheby's arch rival, which holds its major summer auction, with 61 works including a £3m Modigiliani portrait, on Tuesday evening. Although the two auction houses have competed furiously for many of the paintings on offer, each knows it will benefit from the success of the other.

The fall of the art market was sudden and steep. In 1990 Christie's in New York sold a Van Gogh portrait for \$82.5m (£49m), a record for art at auction. Six months later, at the next comparable sale in London, 63 works of art offered by Christie's raised just £10.3m.

The Japanese, who drove up prices in the late 1980s, had uddenly disappeared with the collapse of Japan's bubble economy. The turnover of Sotheby's and Christie's fell more than 50 per cent in the 1990-91 season.

Prices for good, but unexceptional, paintings by the leading Impressionist and Modern Masters are still about a third to a half lower than at the 1989-90 peak. Last November in New York Sotheby's sold Picasso's "Le divan Japonaise for \$3.6m, well below its \$4m-\$6m pre-sale estimate and dramatically below the \$8.25m it fetched in 1989.

The auction houses emphasise that sales are no longer the domain of speculators. "Ninety-nine per cent of bidders in the room will be collectors," says Mr Philip Hook, director of Sotheby's Impressionist department. "In the late 1980s around 60 per cent would have been speculators."

Both houses have been very selective in the works included in their sales, both in quality and freshness to the market. They will also have tried to dampen down the expectations of sellers to persuade them to accept reasonable targets.

It is always tempting to agree to sellers' high estimates and reserves to win their business, as Sotheby's found last November in New York with an important group of six paintings. Five went unsold. artists who provide the biggest This time "80-90 per cent of source of their profits.

t 7pm on Monday Mr Simon de Pury, chair-man of Sotheby's the lots in the sale carry our estimates", says Mr Rook. The new realism was con-

firmed at the next major sales in New York in May. "Le pont d'Argenteuil" by Renoir sold for \$1.98m, above its estimate. but well below the \$3.85m it cost in 1989. Picasso's portrait lecture", went for \$4.8m as against \$6.3m in 1989.

Christie's has decided to promote next week's batch as bargains. "La famille", a sketchy, run-of-the-mill painting by Renoir, carries an estimate of £450,000-£500,000. It was sold for £2.2m in 1989.

Next week's sales also show Sotheby's and Christie's competing in professionalism rather than undercutting each other. When the market collapsed, sellers were reluctant to expose their art at auction. To secure consignments both houses were forced to cut their charges for selling multi-million pound collections to nothing, leaving them dependent on commission paid by buyers for much of their income.

The competition bit deeply into profits and when the 1995-96 season started last September, both Sotheby's and Christie's announced a sliding, non-negotiable scale of charges for sellers. To seeme the best collections, and the highest possible prices for vendors, they would provide a better marketing service.

So far, the new charging system is holding firm. Freed from spending their time negotiating deals, the experts at Sotheby's and Christie's have been able to prepare more informative catalogues and court prospective sellers and buyers. The result is that the most important pictures on offer next week will have been transported around the world, and seen by most of the hundred or so buyers prepared to pay £1m for a picture.

enquiries, the signs are that the sales will be successful. The May sales in New York showed that middle-level pictures, priced between \$500,000 and \$1m. are once more in demand, with old collectors returning and new ones appearing. The Asians were also back, accounting for 16 per cent of sales at Christie's with Taiwanese and Korean buyers joining the Japanese.

With strong pre-sale

Some painters have such international appeal that good examples of their work became a global currency: Impressionists like Monet and Renoir; post-Impressionists such as Cézanne and Van Gogh; and 20th century mouldbreakers like Picasso and Braque. Speculation devalued that currency after 1990 but the auction houses now hope to rebuild confidence in the

# Intoxicated by success down at the local

Entrepreneurs like Michael Cannon have transformed the face

he small convoy of vans bearing the logo "Magic Pub Company on Tour" poured into Bradford-on-Avon in Somerset early one morning last year and pulled up at the King's Arms, a pub that had been closed for seven years. A gang of workmen piled in, shooed out the nesting pigeons and began refurbishing the premises. By 7pm, it had reopened

as the Sprat and Carrot. Michael Cannon, 55, has "cannonised" more than 700 British pubs over the past 22 years, making him almost £100m in the process. Some 170m of that came this week as his share of the £197.5m paid for the two-year-old Magic Pub Company by Greene King, the regional brewer.

He is a genius at visualising how to turn round pubs." says a City analyst, who as a young brewery employee extended trade credit to Cannon in his first venture, a £20,000 halfshare in a Bristol pub. "Others call in teams of architects and designers but he turns up with Sally (his wife) and a team of his own tradesmen."

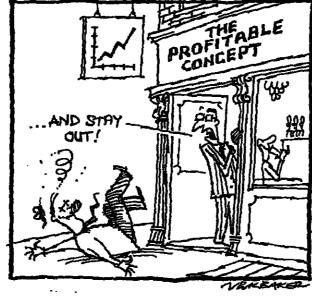
Entrepreneurs such as Mr Cannon have been transforming the face of the British pub. Once the local offered little

of the British public house, writes Roderick Oram more than a pint of beer and a packet of crisps, but today's pubs provide a cornucopia of exotic food and drink, amenities from children's playrooms

to no-smoking bars and special

Mr Cannon has become something of a "serial entrepreneur" in the business. His penultimate venture was at Devenish, the west country pubs group which he sold to Greenalls Group for £214m in 1993. He created the Magic Pub Company in 1994, renovating three or four pubs a week in the first year. "His foot was absolutely flat to the boards," says a colleague. He invested 631m in his 277 pubs, almost all acquired from Scottish &

Newcastle for £100m. Three others have been similarly successful: David Franks, managing director of Regent inns, the listed company worth 2200m; Tim Martin, chairman of J.D. Wetherspoon, valued by the stock market at £400m; and Peter Dickson, managing director of Yates Brothers Wine Lodges, worth £160m at its current share price. The big breakthrough for



Messrs Cannon and Franks came in 1989 when the government ordered national brewers to shed large chunks of their pub estates to increase retail competition. The brewers sold off what they regarded as their least promising premises -

pubs that with investment and good management have proved highly profitable. "The right bloke with the

right idea can turn round any backstreet pub," says one pub chain creator. Messrs Martin and Dickson

took a different approach: they built their chains by converting disused high street and town centre premises such as banks, post offices and building societies. They overturned the conventional brewers' wisdom that it was very difficult to get licences for new places. There is plenty of scope for further growth, with more than 5,000 pubs that could

come on the market. Some are ex-brewery pubs owned by institutions such as Nomura, the Japanese investment bank. Pubmaster, part of the Brent Walker empire, has 1,700 pubs which could be sold to reduce the group's debt. And Bass, the brewer that owns 4,300 pubs, may have to sell many to avoid a reference to the Monopolies and Mergers Commission if it goes ahead with its longrumoured takeover of fellow

brewer Carlsberg-Tetley. For Mr Martin of Wetherspoon, there are three challenges. The first is to find prime sites for new pubs. The second is to manage and motivate a large workforce in a business where customer service is vital - "1,000 little com-

ingredients in Cannon pubs, recalls Philip Snook, a Cannon associate for 11 years and managing director of the Magic Pub Company, Now it is hi-fi sound systems and fresh pasta. "I say to our people, 'Go see what Marks and Spencer are selling because that's what we'll be selling in a year's time'," says Mr Snook.

With the sale of the Magic Pub Company, Mr Cannon's competitors are speculating whether he will re-enter the market. His first retirement after the sale of Devenish lasted a year. He cancelled a world cruise and set up Project Sinatra to buy the pubs that formed the Magic Pub Com-

But if he resists the temptation and retires to his west country shooting estate, the landlord of his local pub had better watch out. Mr Cannon will never be short of a few ideas for doing it up.

### MARKETS REPORT

# Lira watch

### By Philip Gawith

EMS currencies were the focus of attention yesterday with the European Union summit in Florence offering an excuse for renewed speculation that countries like Italy were on the point of rejoining the European exchange rate mechanism

The lira finished slightly firmer as a result, and other European currencies like the French franc, peseta and Swedish krona also closed higher The lira finished in London at L1,006 against the D-Mark, from L1,007.

Elsewhere, the dollar closed firmly after official comments in Germany and Japan reassured markets that interest rate developments in those countries should continue to favour the dollar. It closed at Y108.99 and

The firmer dollar helped sterling with the trade weighted

Jun 21

Europe Austria. Bestria. Bestria. Denmari. Friston France German, Greece Italy Luxernbe Notway Portugal Spain Sweden Switzerta UK Ecu. SPF† America Argentint Brazil

Canada

USA

Singapore South Africa South Korea

POUND SPOT FORWARD AGAINST

16.5718 48.4578 9.0658 7.1579

371,777 0.9719

241.819

197.956

1,2417

1.5380 1.5442 2.1038

11,6843 1,5402

53.6743 5.0330 167.861

3.3450 2.2691 40.3443 5.7766 2.1712 6.7220 1243.13

42.5313

CROSS RATES AND DERIVATIVES

(Peso) (RS) (CS) • Peso) (S)

(AS) (HKS) (Raj (Shk)

(13) (Bt)

EXCHANGE CROSS RATES

(BF) 100 (DK) 53.45 (FF) 80.72 (DM) 30.58 (E) 49.86 (L) 20.45 (FI) 18.37 (NK) 48.12 (Es) 20.04 (FIs) 24.49 (SK) 47.37 (SF) 24.45 (CS) 23.03 (S) 31.47 (Y) 28.88 39.02 (cf) 28.88

EL D-MARK FUTURES (IMM) DM 125,000 per DM

0.7991 0.8050 0.8150

Open 0,6613 0,6613

UK INTEREST RATES LONDON MONEY RATES

Closing Change mid-point on day

+0.0326 636 -+0.0978 390 -+0.0156 622 -

+0.0106 505

-0.0136 788

+0.0047 536 +0.282 615

+0.0978 390 -+0.0058 377 -+0.0106 600 -

+3.71

- 714 -

+0.343 702 - 936 +0.092 800 - 031

+0.0001 411 - 423

-0.0015 375 - 385 -0.0013 436 - 448 -0.0041 029 - 046 +0.029 573 - 708 -0.0014 398 - 405

-0.0006 #66 -0.0705 186 -0.1276 541 -0.0011 293 -10.998 777

+0.998 777 -0.001 433 -0.0038 677 -0.0457 B12 -0.0052 749 -0.0002 699 -0.0001 166 -0.56 282 -0.0801 189 -

- 258 - 945 - 367 - 945

- 073

- 783 - 724 - 274 - 365 - 486

8.803 10 3.388 8.211 0.337 7.926 3.301 4.033 7.802 4.110 7.981 3.793 5.182 4.756 6.426

0.8004 0.8050

nt from June 1-3 month

11,36 3,850 9,327 0,383 3,437 9,003 3,749 4,581 8,862 4,688 9,066 4,309 5,887 5,403 7,300

Latest Change High 0.6575 -0.0020 0.6582 0.6616 -0.0018 0.6617

511 - 412 512 - 512 514 - 514 514 - 514 514 - 514 515 - 513 512 - 514 511 - 414 - 514 - 554 511 - 414 - 514 - 554

Certs of Tax dep. (£100,000) 2<sup>1</sup>2 5<sup>1</sup>2 5 5

Certs of Tax dep. (£100,000) is 2<sup>1</sup>2-pe. Deposits wethdrawn for crish 1 kpc.
Ave. render rate of deposits on Jun 27, 5.586-pc. (£020) fleed rate 585, Export Financa, it
Axy 31, 1995 Agreed that for period Jun 28, 1996 to Jul 21, 1998, Schweres II & III 7.359rate for period May 1, 1999 to May 31, 1999, Schwere IV & V 6.10-pc. Finance House Be
4.5pc from Jun 1, 1996

2.598 2.951 1 2.423 0.893 0.874 1.190 2.302 1.213 2.365 1.119 1.529 1.403 1.896

Low

0.6575 0.6613

0.7991 0.8050 0.8150

β, 1996 3-6 /months

839 557

- 938 - 724

- 191 - 765 - 396 - 761

index finishing at 85.9 from 85.7. It closed at DM2.3551 and

■ Despite the rumouring. there was not much expectation of Italy seeking re-entry to the ERM this weekend (Swe den and Finland are the other possible candidates for ERM entry). There is no dispute in principle about the application but two reasons were cited why this weekend was inoppor-

| Jan 21            |        | Prest, câtale |
|-------------------|--------|---------------|
| £ 90at            | 1 5385 | 1.5385        |
| z-prox<br>1 south | 1.5381 | 1.5387        |
| 3 mth             | 1.5375 | 1.5378        |

tune: some observers said the UK's non-co-operation stance stood in the way of a success ful application, while others suggested that the Bank of Italy might be against entering until later in the year. DM1.5289 from Y108.240 and Mr Bruno Rovelli, economist

at the Bank of America in

Day's Mild high kow

48,4800 48,2280 9,0698 9,0339 7,1653 7,1380

7.9962 7.9473 2.3567 2.3442 373.029 370.517 0.9725 0.9712

2371.91 2380.13

48.4800 48.2280 2.6479 2.6293 10.0771 10.0284 241.881 241.067

198-278 197.325

1.5412 1.5367 1.5450 1.5403 2.1066 2.1001

11.9335 11.8948 53.9440 53.3541 5.0367 5.0147

167,990 166,500

40.4073 40.2612 5.7817 5.7630 2.1724 2.1654 6.7274 6.7036

1251.15 1239.63

1.072 1.218 0.413 1 0.041 0.368 0.965 0.402 0.402 0.501 0.972 0.482 0.631 0.579 0.783

Est. vol Open int.

53,450 1,844 23

34,588 1,115 58

9-12 months

Sep Dec Mar

Strike Price 9400 9425 9450

18,380 28

11,615 1 9

5% - 5% 5% - 5%

months

2,910 3,305 1,120 2,714 0,111 1 2,620 1,091 1,333 2,579 1,358 2,638 1,273 1,572 2,124

11.11 12.82 4.276 10.35 10.425 3.817 10 4.165 5.084 5.185 10.07 4.786 6.530 8.600 8.600 8.708

268.7 303.0 102.7 248.8 102.0 97.86 240.1 100. 122.2 236.4 124.5 241.8 114.9 157.0 144.1 194.7

218.3 248.0 84.03 203.6 8.350 75.02 198.5 100. 193.5 101.9 94.08 128.5 117.9 159.3

Open 0.9354 0.9440 0.9535

1.5382

94.20 94.07 94.01 94.07 93.62 93.69 93.17 93.21 92.78 92.62 on APT. All Open House Sep 94.20 94.24 +0.06
Dec 94.01 94.07 +0.09
Mar 93.02 93.69 +0.10
Jun 93.17 93.21 +0.08
Sep 92.78 92.82 +0.08
Also bracked on APT, All Open interest figs. are for p

11.28 12.82 4.344 10.52 0.432 3.878 10.16 4.231 5.169 10.23 4.882 6.643 8.097 8.237

3.833

1.2386

1.2427

1.9518

3.8481 2.2705

One month Three months
Rate %PA Rate %PA

48.1428 9.0224

7.1454

46.1428

2.6188 10.0425 243.149

198,731

2,0995

2.6 2.6 1.9 0.7 1.9

-3.0 2.6

47.1428 8.9005

7.831

2,2934

2421.4

47.7428

2.0914

169,231

2.6 47,7426 3.0 2.5622 1.0 9.9591 -2.2 --1.6 200.131 0.0 10.2315 3.3 1.8777

2,6 1,9 0,7 1,9 2,4

-2.1 -1.6 0.0 3.1

0.4

16.5405 48.3526 9.0515

7.1535 7,9685 2.3499

0.9714

231

2.6322 10.0596 242.244

198,216

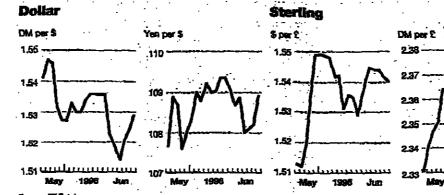
10.2334 1.9387

1.2404

2.1031

167,136

\$1.5403 from DM2.35 and \$1.54.



Milan, said: "The Bank of Italy at this stage is not so supportive and will remain so as long as Italy's high inflation differential against other countries continues.

He said the 1997 budget would be critical in assess the "long term sustainability of any exchange rate agreement. Mr Rovelli said the lira would probably re-enter at a central parity of L1,000 - L1,050 against the D-Mark, with the lower figure being the one fellow ERM members would prefer, with the higher one being

One year Bank of Rate %PA Eng. Index

-1,1

0.D 3.3

0.6

5.1

preferred by Italian industrialists and exporters.

**CURRENCIES AND MONEY** 

Mr Giorgio Radaelli, economist at Lehman Brothers in London, said the lira "should be back into the ERM before the summer. I don't see any economic reason why it should

not be today or tomorrow."

Mr Radaelli said the delay since the election of Italy's new government was partly unnecessary. He said the exchange rate had been close to LL,000 for some time, while inflation had also been on a downward trend. Both in terms of the

DOLLAR SPOT FORW

2000 SELECTION OF SELECTION OF

(Peso) (PS) (CS) Peso) (S)

Europe
Austria
Besglum
Dermart
Finland
France
German
Gresce
Instand
In

Mexico USA

Hong K

India Israel Japan Melaysia New Zealan Philippines Saud Arabi

1.103 1.253 0.425 1.026 0.042 0.372 0.983 0.414 0.505 0.515 1 0.476 0.546 0.596 0.596

High 0.9297 0.9411 0.9635

1,5408 1,5350

High 94,24 94,08 93,70 93,22 92,82

0.20 0.12 0.07

Low 0.9282 0.9406

94.20 94.00 93.62 93.16 92.76

0.03 0.10 0.28

2,142 2,433 0,825 1,998 0,092 0,738 1,929 0,803 0,981 1,898 1 1,942 0,923 1,261 1,157 1,564

Latest Change 0.9282 -0.0074 0.9411 -0.0062 0.9535

+0.0026 +0.0014 +0.0018

THREE MONTH STERLING FUTURES (LIFFE) 2500,000 points of 100%

+0.06 +0.09 +0.10 +0.08 +0.08

CALLS Dec 0.25 0.13 0.08

1,5408 1,5400 1,5410

2.321 2.836 0.893 2.165 0.089 0.788 2.089 0.870 1.083 2.057 1.083 2.104 1.366 1.254

104.8 108.5 107.2 83.9 108.6 108.1 67.5 99.4 76.8 108.5 108.6 98.3 94.7 80.5 110.4 85.9

84,4

97.2

93.7

134.4

106.9

Change on day

+0.0313 570 +0.093 580 +0.0158 853 -

+0.0113 438 -+0.0137 817 -+0.0045 285 -+0.41 340 --0.0016 842 -

+3.85 850

+0.0203 +0.0059 -0.0014

+3.86 850 - 870 +0.093 580 - 880 +0.0054 130 - 125 +0.013 333 - 408 +0.37 970 - 950 +0.18 510 - 550 +0.0058 602 - 612 -0.0058 602 - 612 -0.0058 400 - 407

- 985 - 987 +0,0002 025 - 028 -0,0014 857 - 662 +0,025 710 - 780

-0.0032 642 -+0.0005 405 --0.05 500 -+0.0024 662 -

+0.75 980 -+0.0017 980 --0.0011 728 -

+0,002 504 +
40,0012 504 +
40,0012 052 +0,004 620 +0,44 000 -0,026 100 +0,03 400 -

-0.005 600 -

- 650 - 415 - 500 - 625 - 020 - 970 - 738 - 300

509 102 670

NON ERM Greece Italy UK

Strike Price 1,510 1,520 1,530 1,540 1,560

Adam & Company
Allied Trust Bank...
All Bank ...
All Bank ...
Bank of Banda ...
Bank of Banda ...
Bank of Cyptus ...
Bank of India ...
Bank of India ...
Bank of India ...
Bank of Sandard ...
Bank of Sandard ...
Bank of Sandard ...

10,7599 31,4630 5,8863 4,6478 5,1822 1,5289 241,390 1,5847

31,4630 1,7133 6,5371

157.010 128.530 8.6442 1.2607 1,5402 1.2404

0.9986 1.0027 1.3680

7.7410 34.8500 3.2679

108,990 2,4965 1,4732

26,1950

3.7507 1,4097 4,3845

807.150 27.5150 25.3500

185.1 210.2 71.25 172.6 7.080 63.61 186.6 69.40 86.41 167.8 79.75 109.0 100.

Est. vol Open int. 14,519 65,567 19 3,604 41 143

Est. vol Open int. 16383 85896 27509 80179 9338 57283 3446 41447 1150 28207

0.51 0.68 0.88

40,523 1,020 6

1.570 1.558 0.527 1.278 0.052 0.471 1.233 0.514 0.628 1.214 0.628 1.242 0.590 0.208 0.740

1.939 1.930 0.854 1.584 0.065 0.582 0.637 0.778 1.505 0.783 1.540 0.732 1.918 1.240

political and inflation outlook, he said the conditions for reunlikely to entry were

"If you miss the train today it makes even more difficult later in the year. Mr Michael Burke, economist at Citibank in London, said the re-entry talk had boosted interest rate sentiment, which prompted bond purchases and supported the lira. He pre-

dicted that as when currencles

day afternoon's were likely to

One month Rate %PA

2.2 2.1 1.5 1.7

-24 -23 -20 34 03

-1,9 -0,1 -5,2

4.9 -0.4 -2.5

35

1.4763

3.7511

EMS EUROPEAN CURRENCY UNIT RATES

160,959 2,14533 0,790568 39,3909 1,91442 13,4736 196,529 7,37014

302.210 1925.71 0.613567

CALLS Aug 3.20 2.51 1.83 1.26 0.85

3.7511 -0.1 1.4062 3.0 4.412 -13.1

10.7404 31.408 5.8788

4.6411

5.1753 1.5264 243.085

31,41 1,71 6.5341

157.325

128.78 8.6532 1,2571 1.5398

Day's mid high low

31,4763 31,3580 5,8887 5,9698 4,6513 4,6362 5,1890 5,1676 1,5302 1,5242 242,510 240,740 1,5865 1,5814

31,4760 31,3590 1,7202 1,7088 6,5453 6,5200

157,100 156,640

1.0001 0.9985

1.0028 1.0025 1.3676 1.3657 7.5760 7.5710

7.7415 7.7405 35.0700 34.6500

3.2695 3.2624

109.050 108.200 2.4970 2.4942 1.4738 1.4727

26,2300 26,1600

813,700 806,000 27,6630 27,6100 25,3450 25,3210

162,498 2,15214 0,792214 39,3960 1,91007 13,4383 195,792 7,28580 6,40608

MEMBERS 292.887 2106.15

<u>w</u>

2.96 2.13 1.38 0.78 0.38

3.7504 1.4087 4,3530

3.7509 1.4102

4.3690

1533.65

128.090 6.6078 1.2560 1.5365

1540.50

128.680 6.6492 1.2620 1.5417

improve.

become a hotbed of specula-

D-Mark

IDEA, the financial markets group, finds that the market remains bullish about the dol lar, but at a lower level. The main reason cited for the more pessimistic view is that previous expectations of a pre-summer easing in the German reporate has been cancelled...." The median year end forecast for like sterling had entered the dollar/yen is Y106.5. The mar-ERM earlier in the decade, Friket remains fairly heavily over-

One year J.P Morgan Rate %PA index

10.5149 30,753 5.7928 4.5636 5.0932 1.4924 260,38 1.5776

30.823 1.8711 6.4921 160.06

130.75 6.7147 1.2162

7,7705 36,775

1,3747

-0.9

135.8

weight dollars.

Three months Rate %PA

10,6984 31,293 5,8618 4,6291 5,161 1,5206 246,A15 1,5861 1,552

31,3035 1,7028 6,5286

157,916

129.21 6.5727 1.2497 1.5395

1.3661 7.92

35,305

107,645 2,5035

1.4821

3.7519 1.4002 4,502

-0.2 27.625 -4.7 25.6525

-0.201 +0.00105 -0.00084 +0.00132 +0.0097 -0.13 +0.00279

-0.307 -1.08 -0.001205

Sep 3,51 2,79 2,20 1,66 1,20

BASE LENDING RATES

0.12 0.20 0.46 0.79 1.39

-2.1 -1.7 3.5 0.2

-1.7 -0.1 -5.2

-1.1 -24

-0.1 2,7 -12,6

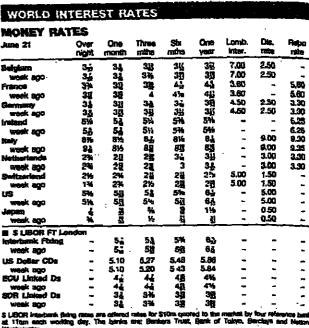
-0.94 -0.32 -0.21 -0.01 0.23 0.26 0.38 1.16

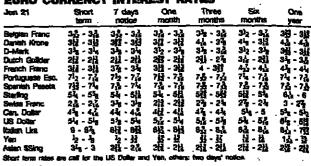
2.23 1.58 1.47 1.27 1.03 1.00 0.88 0.10 0.00

-1.87 10.75 -2.09

0.31 0.55 0.88 1.32 1.89

Sep 0.51 0.78 1.13 1.59 2.13





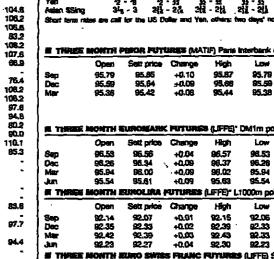
offered rate (FFr 6m)

47,895 9,891 3,821

Est. vol. Open Int.

Est. voi Open Int. 57,627 402,304 86,006 425,432 74,637 285,436

59,863 35,919 23,945



(LIFFE)\* DM1m points of 100% Est. vol. Open int. 96.53 96.26 95.94 95.54 26037 52748 25155 214464 204179 190778 **HOLLIKA FUTURES** (LIFFE)" L1000m points of 100% Est. vol Open Int. 92.06 92.33 92.33 92.23 10575 6857 2227 850 61434 35409 18381 10119 S THES FRANC FUTURES (UFFE) SFr1m points of 100% 97.27 97.11 96.89 96.62 97.25 +0.03 +0.03 +0.05 97.18 97.02 96.82 96.55 6061 2592 653 101 50726 17752 7665 452 97,27 97.08 96.82 96.55 97.13 96.90 98.62 +0.08 **4** 11 ir Hthiom **PROYEN PUTUMES (LIFFE) Y100**m points of 100% Est vol Open Int. Low 99.08 98.88 98.38 +0.05 +0.05 +0.06 99,09 98,70 98,38 99.07 98.69 99.09 300 87 10 1/2 1/2 1/2 98.69 98.38 n Thi ECU PUTE **誌 (LIFFE) Ecution** p Coen High Lou Open int. 6720 3931 2997 2186 95.51 +0.07 95.57 95,51 918 348 66 60 95.56 95,34 95,12 94,80 95.38 95.18 94.86 +0.06 95.38 95.18 94.86 95,34 95,12 94,60

| Sep   | 94,69                                   | 94,69                    | +0.03  | 94.69                                | 94,68                                    | 61                          | 5,725                |
|---|---|--------------------------|--|--------------------------------------|--|-----------------------------|----------------------|
| Dec   | 94.39                                   | 94,39                    | -  | 94,40                                | 84.39                                    | <b>6</b> 1                  | 1,647                |
| Mar   | _                                       | 94,17                    | +0.03  | _                                    | _  | 28                          | 35                   |
| Alf Open In   | barest Ogs. 8                           | re for paydo             | us day   |                                      |  |                             |                      |
|   |   |                          |  |                                      |  |                             |                      |
|   |   |                          |  |                                      |  |                             |                      |
|   |   |                          |  |                                      |  |                             |                      |
|   |   |                          |  |                                      |  |                             |                      |
|   |   |                          |  |                                      |  |                             |                      |
|   |   |                          |  | _                                    |  |                             |                      |
|   | MARK OF                                 |                          | FE) DMIM   | points of 1                          | 30%                                      |                             |                      |
|   | MARK OF                                 |                          | FE) DM1m   | points of 1                          | 00%                                      |                             | <del></del>          |
| Strike  | Jul                                     | C                        | US   |                                      |  | PUTS                        | Dec                  |
| Strike<br>Price   | Jul                                     | Aug C                    | Sep<br>Sep   | Dec                                  | kui Aug                                  | Sep                         |                      |
| Strike<br>Price<br>9650                                   |   | Aug<br>0.13              | Sep<br>0,15  | Dec .                                | kul Aug<br>04 0.07                       | 5ep<br>0,09                 | Dec<br>0.29          |
| Strike<br>Price<br>9650<br>9675<br>9700                   | Jul<br>0.10                             | Aug C                    | Sep<br>0,15<br>0.04  | Dec .                                | lui Aug<br>04 0.07<br>20 0.22            | 5ep<br>0,09<br>0,23         | 0.29                 |
| Strike<br>Price<br>9650<br>9675<br>9700                   | Jul<br>0.10<br>0.01<br>0.01             | Aug<br>0.13<br>0.08<br>0 | Sep<br>0,15<br>0,04<br>0,01  | Dec<br>0.13 0.<br>0.05 0.<br>0.01 0. | ksi Aug<br>04 0,07<br>20 0,22<br>44 0,44 | 5ep<br>0,09<br>0,23<br>0,45 | 0.29<br>0.46<br>0.67 |
| Strike<br>Price<br>9650<br>9675<br>9700<br>Est. vol. tota | Jul<br>0.10<br>0.01<br>0<br>d, Cads 118 | Aug<br>0.13<br>0.09<br>0 | 94 (0.01 (0. | Dec<br>0.13 0.<br>0.05 0.<br>0.01 0. | lui Aug<br>04 0.07<br>20 0.22            | 5ep<br>0,09<br>0,23<br>0,45 | 0.29<br>0.46<br>0.67 |

94,16 93,80 93,59

E US TREASURY BULL FUTURES (MA) \$1m per 100%

94.14

93.78 93.54

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High-94,17 93,81 93,60

LOW!

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| Price         | ليهاد         | Aug                   | Sep                              | Dec                      | إداف                       | وسم                 | 5ep       | Dec  |
|---------------|---------------|-----------------------|----------------------------------|--------------------------|----------------------------|---------------------|-----------|------|
| 9650          | 0.10          | 0.13                  | 0,15                             | 0.13                     | 0.04                       | 0.07                | 9,09      | 0.29 |
| 9675          | 0.01          | 0,09                  | 0.04                             | 0.05                     | 0.20                       | 0.22                | 0.23      | 0.46 |
| 9700          | ٥             | ø                     | 0.01                             | 0,01                     | 0.44                       | 0.44                | 0.45      | 0.67 |
| Est vol to    | SWISS FR      | EX Puts 94<br>LANC OP | 170. Previos<br><b>TRONES</b> (L | as day's op<br>IFFE) SFr | en Int., Call<br>1m points | a 252720<br>of 100% | Puta 2814 | on . |
| Strike        |               |                       | ALLS -                           |                          |                            | p                   | U7S       |      |
| Price         | Se            | sp Ì                  | Dec                              | Mar                      | Sap                        |                     | Sec .     | Mer  |
| 9750          | 0.0           | 6                     | 0.10                             | 0.11                     | 0.29                       | Ω                   | 49        | 0.72 |
| 9775          | 0.0           |                       | 0.06                             | 0.08                     | 0.50                       |                     | .70       | 0.92 |
| Est. vol. tot | al, Calls 100 | Puts C. P.            | revious day                      | 's open int              | . Calls 904                | 2 Puts 492          | 5         |      |
| 1             |               |                       |                                  |                          |                            |                     |           |      |
| -             |               |                       |                                  |                          |                            |                     |           |      |
| E BURKO       | JEA OPT       | ONS (LIF              | FE) L1000                        | m points                 | of 100%                    |                     |           |      |
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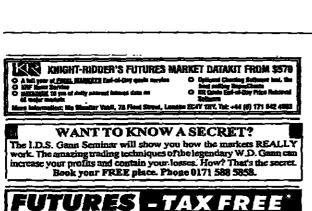
| -   | CORING            |                                      | CLLS             |
|-----|-------------------|--------------------------------------|------------------|
|     | Price             | Sep                                  | Pec              |
|     | 9200              | 0.33                                 | 0.62             |
|     | 9225              | 0.20                                 | 0.48             |
|     | 9250              | 0.11                                 | 0.34             |
|     | Est vol           | total, Calle 2176 Po                 | tz 800. Previous |
|     | Ι.                |                                      |                  |
|     | 1                 |                                      |                  |
|     | E OTHE            | SR CURIRENCE                         | 35               |
|     | Jun 21            | 3                                    | \$               |
|     | Concl. Rp.        | 42.6525 - 42.7127                    | 27.7000 - 27.720 |
|     | Hengary           | 230,739 - 230,921                    | 149,850 - 149,90 |
| 1   | 1786              | 4621.50 - 4518.40                    | 3000.00 - 3000.0 |
|     | Kenet             | 0.4613 - 0.4820                      | 0.2996 - 0.2999  |
|     | Polanii<br>Pennie | 4.1938 - 4.2034                      | 2725 - 2726      |
|     | UAE               | 7806.79 - 7814.98<br>5.6565 - 5.6584 | 5070.00 - 5073,0 |
| - 1 |                   |                                      | 38/24 - 35/31    |

| FT GUIDE to WORLD CURRENCIES The FT Guide to World Currencies table can be found on the Markets page in Monday's edition. |
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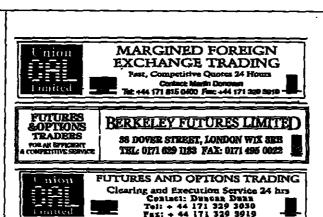
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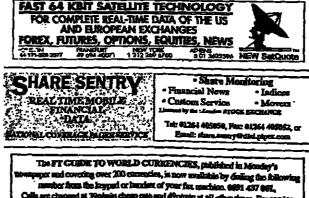
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| THE MANAGED      |
|------------------|
| CONVERTIBLE FUND |

SICAV

\*\*restment Company with Variable Copital)

11, rue Aldringen, L-1118 Linxembourg

R.C. Lixembourg N° B 34,758 WITCH TO MAKE BIOLDING

The shareholders are hereby informed that the investment Adviser of the SICAV Cresvale Asset Management Zug has changed its company name into Jefferies Asset Management Ltd with effect as at 14 February 1996. Jefferies Asset Management Ltd wit continue to exercise the function of Investment adviser. The function of promotor of the SICAV The Managed Convertible Fund will be exercised by Jefferies International Ltd, London.

The attention of the stransholders is drawn to the fact that the new prospectus contains the rules of chapter H of the circular IML 81/75 of 21 January 1991 concerning the possibility to use Financia! Techniques and instruments also for non-hadding purposes. In addition, it will be possible to trede options of currency futures not only on a regulated market (which is in constructs operation and which is recognized and open to the public) but as well with a leading and francial institution specializing in these types of transactions and participating to the over the counter market.

During a period of one month as from the publication of this notice. The stransholders will have the right to ask for redemption of their shares without any redemption fee. The changes mentioned before will be effective as at the end of this period.

An updated prospectus (taking into account the afore mentioned changes) will be available to the public at the registered office of the Sicay. The Board of Directo

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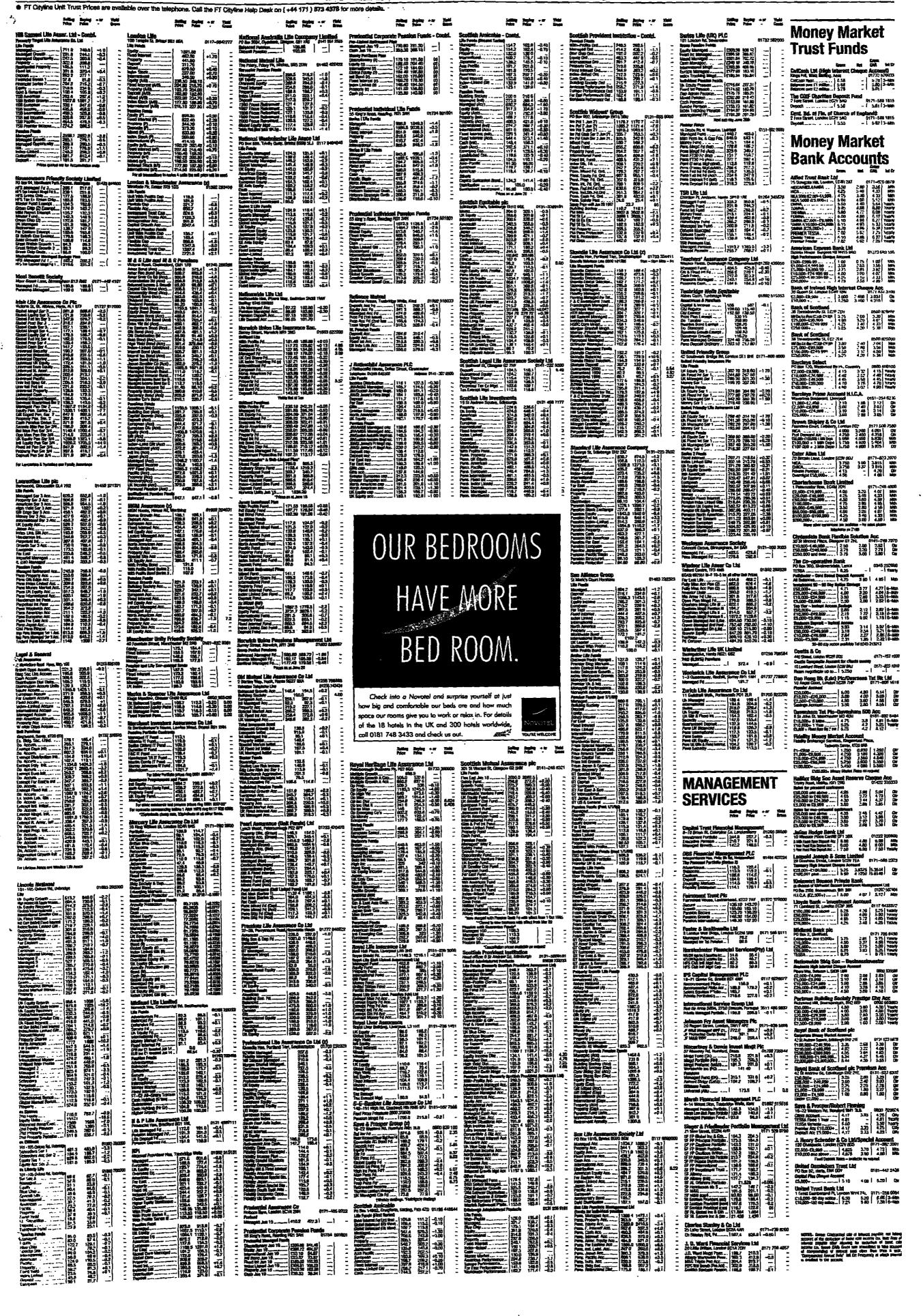
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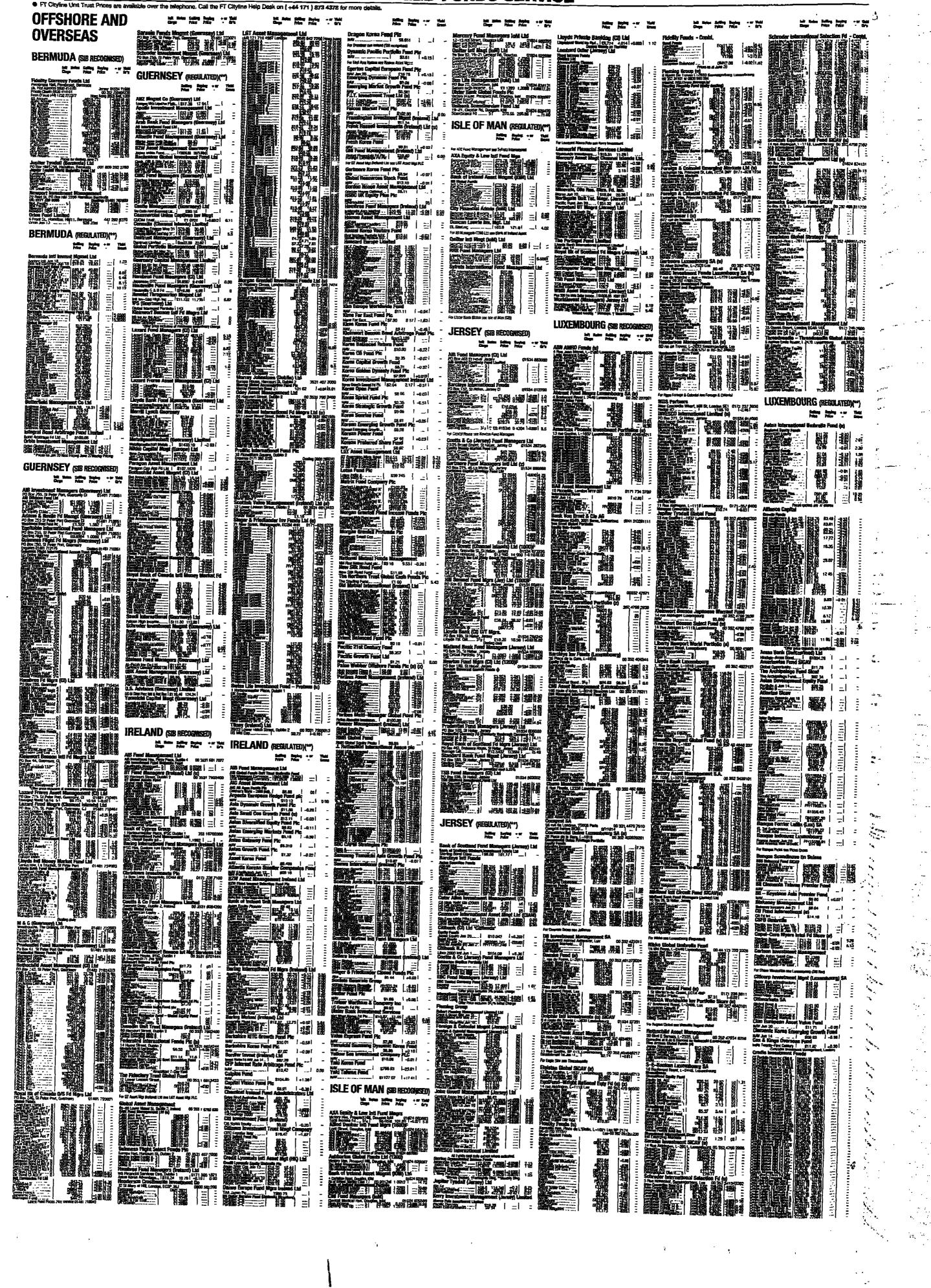
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| FT Cityline Unit Trust Prices are available  | over the telephone. Cell the FT Cityline Help Desk on (+44 171 ) 873 4374  | T MANAGED FUNDS SE   |  |  |
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# STOCK MARKETS

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France SBF 250(31/12/90 CAC 40(31/12/87)

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Greece Athens SE(31/12/80)

Hong Kong Hang Seng(31/7/64) India BSE Sens(1979)

INDEX FUTURES

Jun Jul

Sep Dec Set Ju Ming -Minerals Mortnel

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Jun 20

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917.97 1017.96 4/3

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Portugal 8V. 30(4/1/93)

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Sell or Hold?

Speak to Peregrine, the leader in

Asian equities, derivatives, country funds, fixed income securities and GDR's.

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**Jun** 19

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Prices supplied by Telebura

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### **WORLD STOCK MARKETS**

# Nasdaq composite regains its footing

Wall Street

US shares were mostly higher in midsession trading as bonds posted modest gains and the Nasdaq composite regained its footing after seven sessions of weakness, writes Lisa Bransten in New York.

In early afternoon trading the Nasdaq, which is about 40 per cent technology shares, was up 4.60 at 1,171.94, although technology shares were mixed. The Pacific Stock Exchange technology index was off 0.3 per cent, while the American Stock Exchange index of Internet-related com-panies was 0.5 per cent higher.

In individual shares, Oracle, the database software com-pany, advanced \$2% or 6 per cent to \$37% after reporting

fourth quarter earnings late on gave up 0.64 at 584.60. NYSE of the current year. Thursday that beat analysts' estimates. Meanwhile. Advanced Micro Devices, the microprocessor company, and Diamond Multimedia, which makes computer peripherals, were both lower after issuing warnings that their forthcoming quarterly results would be below expectations. In early trading, AMD slid \$1% or 11 per cent to \$14 and Diamond was off \$4% at \$9%.

NYSE trading was heavy and volatile due to the expiry of options and futures on shares and share indices known as "triple witchine".

At 1 pm, the Dow Jones Industrial Average was 20.32 stronger at 5.679.75 and the Standard & Poor's 500 rose 2.12 at 864.22, while the American Stock Exchange composite

Shares derived some support

from gains on the currency and Treasury bond markets. In early trading the long bond had advanced % point, sending the vield down to 7.082 per cent. The dollar was nearly a full yen stronger against the Japanese currency. Rising shares on the Dow

included Boeing, up \$1% at \$88%, Caterpillar, \$1% stronger at \$68%. General Electric. adding \$1% at \$86%. United Technology \$1% higher at \$113% and Disney which rose \$1% at \$62%.

Harrah's Entertainment, the hotel gaming company, fell \$3 or 10 per cent to \$28% after announcing that it would not meet analysts' earnings expectations for the second quarter

FT-SE Actuaries Share Indices

Latin America

São Paulo added to the gains

it recorded earlier in the week. smid indications that a nationwide general strike, called by the country's three leading unions to disrupt public transport, had failed. At midsession, the Bovespa index was up 1,031.47 or 1.8 per cent at 59,262

BURNOS AIRES moved higher as the equity market mirrored modest gains in Argentine Brady debt and ADRs. The Merval index was 5.46 higher by midsession at 595.34.

MEXICO CITY fell in morning trade, breaking through support levels as investors held off buying, pending clearer sig-

10.30 11.00 12.00 13.00 14.00 15.00 Giove

nals for the Mexican peso and US interest rates. The IPC index was down 42.150 or 1.3 per cent by midsession at 3,138.84, having broken through support at 3,165.

Canada

Toronto was mixed at midsession, pressured by falling gold stocks but supported by stronger bond markets. The TSE-300 composite index was down 8.68 by noon at 5,049.30. Heavy volume of 55.9m shares was attributed to triple-witching operations as options, futures and options on futures expired. Among heavily traded shares. Rio Alto Exploration

fell 15 cents to C\$7.30. Forestry products featured a 20 cent rise to C\$18.50 in St

foreign funds lightened expo-

sure to the sector, and the sec-

tor dropped 3 per cent as the

general index fell 9.97 to

ISTANBUL rose by 1.7 per

cent although political uncer-tainty, continued to haunt the

market: four MPs from the

Turkish conservative leader.

Mrs Tansu Ciller's True Path

Party defected to the rival

Motherland Party of the care-

bid to form a coalition with

put on 1,160.08 at 68,751.32 as

• Stockholm and Helsinki

were closed for Midsummer's

Written and edited by William

899.65

Laurent Paperboard.

stuff of investment talk in Moscow. And the tentative answers to such questions, however implausible or imper fect, are what is driving Russia's capital markets.

As a result, the Moscow Yet, so far, the Russian

the ragged edge of the global investment universe, only attracting speculative hedge fund managers and highrolling private investors. Longer term, an increasing

flow into Russia, which could easily quadruple the size of the equity market to \$100bn by the

The liquidity of the market

end of the decade.

# Foreigners undertake Russian re-evaluation

John Thornhill on hopes and fears for the future

respectability.

immediate concerns

Moscow Times Index

15th May

that Mr Yeltsin will win the

elections and some Russian

investors still appear sceptical

of his chances - as is partly revealed by the astronomic

rields on government debt

instruments, a market domi-

Although they have fallen sharply this week, annualised

yields on six-month govern-

ment debt remain at 125 per

Mr Peter Halloran at the

Moscow office of CS First Bos-

ton says: "Foreign investors

are much more positive about

Yeltsin's chances than those

Zyuganov, the Communist

Party candidate, would almost

certainly spark a mass sell-off of Russian shares as investors

waited to see what would hap-

the "longest and least funny

A victory by Mr Gennady

cent as the government strug-

nated by domestic hanks

gles to find buvers.

within Russia.

Source: FT Extel

First, there is no guarantee

is already beginning to economic joke ever written" Then western fund managers arrive in improve as several Russian Woscow these days. companies issue American they seem just as keen as Rus-Depositary Receipts in New York That has made it easier sians to indulge their passion for conspiracy theories, - and safer - for some main-Will President Boris Yeltsin stream investors in the US to gain exposure to Russian

rig the decisive second round of presidential elections on July 3? Did the president's men secretly sponsor Mr Alexander Lebed, the former general who came third in the first round of voting, to split the communist vote? Was Mr Yeltsin's decision to sack three hardline supporters this week a strategic

shift or a tactical retreat? For the moment, such is the

Over the past few months, these investors inklings have generally been favourable: Mr Yeltsin's popularity has been steadily climbing in the polls: the country's macro-economic stabilisation programme has remained broadly on track; and the introduction of Mr Lebed will help combat the corruption, endemic at so many lev-

els, of Russian government. Times index of the 50 most liquid Russian stocks has more than doubled since March.

number of western fund managers seem convinced that Russian equities could offer highly attractive returns. Following a recent trip to

gan Stanley's chief strategist, wrote that Russia was "either the investment opportunity or the black hole of a lifetime". If Mr Yeltsin is re-elected, stockbrokers predict that a further wave of longer-term foreign portfolio investment will

Moscow, Mr Barton Biggs, Mor-

pen next. The Communist Party economic programme - described by a former prime minister as

is an angry mixture of protectionist and populist measures certain to scare off investors. But even if Mr Yeltsin were re-elected, there would be plenty of issues to keep the initial euphoria under check. The shares. Russia's inclusion in economy may finally have the IPC's index of emerging stopped declining but a radical markets will also add to its shake-out in Russia's banking system seems only a question But although few would disof time. Moreover, although it pute the long-term bull argument for Russia there are some has come a long way in a short

> an increasing share of the market off-shore. Russia's Federal Securities Commission is working hard to improve the regulation of the market. It is also creating the legal and fiscal framework necessary to encourage the formation of domestic investment funds needed to channel retail savings into the economy.

time. Russia's stock market

still boasts an exceedingly

creaky infrastructure, driving

Mr Timothy Frost, director of the Pioneer First Voucher investment group, which is planning to launch a Russian domestic investment fund, says: "Theoretically, these funds could have a monumental impact on the development of the domestic market and, from a policy point of view, would help bring the equity markets back on shore in Russia." But, like most observers. Mr Frost doubts whether these funds will play much of a role

'r Par Mellstron at

the Moscow-based LV Brunswick Brokerage, argues that the latest reshuffle in Mr Yeltsin's government will certainly give added impetus to the reform agenda. "You can now see that there will be some real improvements as a result of Yeltsin's victory. There has been a clear shift towards the reformers in the government." If so, Russia could become an increasingly normal country where the market talk is soon about economic rather than political fundamentals. Fund managers would then have to get their fix of political intrigue from reading John Le Carré novels on the flight

# Frankfurt reviews Dax 30 contenders

Housey changes

The dollar, the Dow and bond markets gave most bourses a lift FRANKFURT'S Dax index closed 15.56 higher at an Ibisindicated 2,547.78, as German stock market turnover, swelled by the "triple witching" expiry of futures and options contracts, shot up from DM9.4bn

to DM53.9hn. Three Dax 30 contenders. Gehe, Merck and Adidas, figured among the top 10 Ibis performers. Merck, which said on Thursday that it hoped to join the Dax within two to three years, put on DM1.70, or 3 per cent, at DM58.90.

However, Goldman Sachs maintained its underweight recommendation on the drugs and chemicals group. Mr John Murphy said it had achieved market leadership in strategically difficult areas, and that the shares looked expensive on a 1998 p/e ratio of 18.5 against 13.2 for Astra, and 14.9 for Roche.

ZURICH continued to focus on pharmaceuticals while the expiry of index futures and options on Soffex also provided support. The SMI index rose 31.9 to 3.687.3.

Further foreign demand for the Novartis partners took Ciba SFr20 higher to SFr1.509 and Sandoz SFr24 higher to

Active buying of international

blue chips took the Nikkei

average to a four-year closing

The 225 index rose 93.35 to

22,530.65, trading between 22,404.24 and 22,598.98. Volume

totalled 518m shares against

426m. Domestic institutions

and foreign investors placed

buying orders at the start of

the session and chased blue

chins and large capital stocks;

afternoon profit-taking and

position adjustment eroded

section stocks rose 9.07 to

1.64 to 317.35. Gainers led los-

ers by 623 to 424 with 180

index rose 0.70 to 1,512.62

In London, the ISE/Nikkei 50

Carmakers were strong on

hopes of higher earnings.

Toyota Motor rose Y70 to

Y2,700 and Honda Motor by

Y30 to Y2,880, Large capital

steels and shipbuilders were

bought. Nippon Steel gained Y8 to Y374, NKK rose Y6 to

Y329 and Mitsubishi Heavy

NATIONAL AND REGIONAL MARKETS Figures in purentheses show number of times

al stock

some of the earlier gains. The Topix index of all first

of a new class of treatments for HIV patients. MILAN was on hold, as spec-

One analyst noted that June inflation data from 10 cities, released during the week, indicated that the rate had fallen to 3.8 or 3.9 per cent, below the 4 per cent which the bank had hinted would trigger a move.

|           | % Chang |
|-----------|---------|
| Zurich    | +2.6    |
| Turkey,   | +2.0    |
| Milan     | +7.8    |
| Frankfurt | +0.1    |
| Athens    | -1.8    |
| Vienna    | -2.4    |

He added that a reduction of 50-75 basis points was already. priced into the market, but that a reduction of 100 basis points would provide equities

switching within the sector, rebounded SFr80 to SFr9,500, helped by news of an important step towards European approval for Invirase, the first

ulation grew that the Bank of Italy would ease its 9 per cent discount rate after the close.

|           | % Chan  |
|-----------|---------|
|           | A CHOIL |
| Zurich    | +2.6    |
| Turkey    | +2.0    |
| Milan     | +1.6    |
| Frankfurt | +0.1    |
| Athens    | -1.8    |
| Vienna    | -2.4    |

with a lift. The Comit index gave up 4.79 to 664.75. IMI, the investment bank rose L369, or 2.9 per cent,

Y835,000 on selling by individ-ual investors. Investors took

profits following this week's

government offer of some

270,000 shares. The announce-

ment by Mr Rupert Murdoch's

News Corp and Softbank, a

Japanese computer software

become the joint largest share

holder for TV Asahi, a national

television network, triggered

having in other television com-

panies. Tokyo Broadcasting

Vippon Television added Y600

In Osaka, the OSE average

rose 100.83 to 23,626.91 in vol-

Thursday's political turnoil in JAKARTA left the JKSE com-

posite index 7.82, or 1.35 per

cent, down at 572.85 after a low

Foreign investors stayed on

the sidelines but their domes-tic counterparts sold selected.

heavily capitalised stocks fol-

lowing Thursday's protest, and its violent aftermath. Telkom fell Rp50 to Rp3,300 in 3.5m

160.83 149.68 164.59 136.94

ume of 43.7m shares.

to Y32.500.

of 569.54.

FT-SE Eurotrack 196 1883-07 1883-54 1883-96 1885-26 1894-64 1894-43 1894-67 1885-00 FT-SE Eurotrack 290 1718-28 1717-82 1717-86 1718-22 1717-80 1718-88 1718-81 1718-83 Jun 18 Jun 17 Jun 14 Jun 19 news that a third, and final, 6.8 after weakness in the sector in per cent of the company, held the US overnight. The AEX

floated soon. Banks recovered some composure, having paid the price on Thursday of news of changes in the mini-budget to the tax treatment of interest on deposits and certificates. Credito Italiano slipped just L7 to L1,848 and BCI was L24 easier at L3,174. PARIS saw a technical

the treasury, could be

rebound, and the CAC-40 index recovered 7.10 at 2,084.18. Morgan Stanley stayed bullish on banks and BNP, for one, took notice with the shares up FFr3.80 at FFr180. Outside financials, Moulinex soared another FFr9.60 to FFr107 for a gain of 32 per cent

maker unveiled a restructuring plan this week. AMSTERDAM was mixed,

shares, and Sampoerna by 3.5 per cent to Rp26,175 in 444,500.

BOMBAY hit late, local sell-

ing pressure and the BSE 30

share index fell 70.25 to 3,924.95

to Rp298 after it reported

slower than expected growth

in profits. Siemens, the Indian

subsidiary of the German market leader, dropped Rp76.50, or

12 per cent, to Rp606.50 after it

cut its interim dividend from Rs5.5 to Rs4.5 a share.

worries about second quarter

earnings and high interest

rates, the SET index losing 6.08 at 1,235.37 in thin turnover of

Bt3.6bn. One analyst said that

foreign investors had been

holding back for some time,

and that the market was

BANGKOK fell on persistent

State Bank of India fell Rp6

in end-account trade.

% Change

Nikkei hits another four-year closing high

since the electrical appliance

taker prime minister, Mr Mesut Yilmaz, in protest at her index eased 0.78 to 554.11. However, Philips fell Fi 1.70 to Fl 55.60 on fears that a halt Islamists. The composite index turnover fell from TL11,080bn to TL7.010bn.

in semiconductor production by the electronics major Philips indicated an industry slump had started spreading from computer memory chips into chips for consumer products. Elsewhere in the sector, BE Semiconductors lost Fi 1 at Fl 25.50, Rood Testhouse Fl 250 at F19.50 and Baan, the software house, F1 2.30 at F1 58.20.

VIENNA blamed a weak futures expiry and concerns ahead of the partial start-up of the Vienna bourse's electronic quote-driven order system as the ATX index fell 14.75 to 1.086.51 ATHENS, with the socialist

party congress due next week, worried about the prospect of early elections. Construction

the release of second quarter

TAIPEI consolidated after its

recent rally, the weighted

index ending 24.41 lower at

6.355.66 in turnover of

7846.7hn. Financials and bigcapital stocks fell after their

gains on Morgan Stanley's

in its emerging markets index.

drew active buying on hopes

that the government may soon

ease a ban on foreigners

Taiwan. Hong Chung gained 90

cents or 5.45 per cent to T\$17.4. KUALA LUMPUR played sec-

ond board stocks, their index

climbing 4 per cent as the

KLSE composite rose a mere

4.05 points to 1,146.38. Volume swelled to 290m shares from

193m, and gainers swamped

losers by 576 to 85. SEOUL saw some daylight

after the strikes which hit the

automotive industry. The com-

posite index rose 2.55 to 864.27.

came to accords on pay but the

South Korea's leading commer-

cial vehicle maker, came too

A number of carmakers

But construction shares

### Cochrane and Michael Morgan SOUTH AFRICA

Johannesburg's gold stocks dropped in late trade to close at the day's weakest levels as bullion defied expectations of a comeback and slipped below \$383 an ounce. Industrials perked up on some buying of selected stocks. The overall index ended 16.3 up at 6,855,3, industrials rose 10.2 to 8,116.2 and golds fell 14.7 at 1.788.1.

|                                   |             |              |            |                  |                   |               |             |                                       | L           | O.             | N            | lE          | >(                  | )              | N           | EQUITIES   | _ |
|-----------------------------------|-------------|--------------|------------|------------------|-------------------|---------------|-------------|---------------------------------------|-------------|----------------|--------------|-------------|---------------------|----------------|-------------|--|---|
| JI I                              | Ė           | ΕC           | U          | ΤY               | 0                 | ΡŢ            | 101         | NS                                    |             |                |              |             |                     |                |             | RISES AND FALLS  | • |
|                                   |             | _            |            | _                |                   | Puis ·        |             |                                       |             |                | - (24)       |             |                     | Pulsa<br>Pulsa | _           | Rises Falls State Rises Falls Same   | • |
| <b>_</b>                          |             | ¥            | Oct        | 100              | )                 | Dat           | 100         | Optos                                 |             | Aug            | Box          | Feb         | Ang                 | Hor            | Fgb         | British Funds 54 2 12 158 96 86 Other Fixed Interest 0 0 14 0 0 70   |   |
| M.                                | 110<br>120  | 9%           | 11%        | 14               | 1                 | 316           | 5<br>9%     | Grand Met                             | 390         | 3011/2         | 34           | 43%         | 5                   | 10             |             | Mineral Extraction 96 44 70 335 340 375  |   |
| 8)<br>4 Domecq                    |             | 11           | <b>25</b>  | 32<br>32         | 8%                | 15            | 25%         | (*16)<br>Guirphess                    | 420<br>420  | 12<br>35       | 21<br>42     | 27%<br>48   | 17%                 | 22%<br>8%      | 37<br>11    | General Manufacturers 86 165 390 543 775 1,896<br>Consumer Goods 45 53 129 223 264 648   |   |
|                                   | 500<br>330  | #<br>1800    | 18%<br>29  | 級                | 38<br>26          | 400y<br>9     | 51<br>34    | (*49)                                 | 400         | 11             | 18           | 25          | 18                  | 25             | 29          | Services 86 120 286 445 557 1,466  | • |
| 5)                                | 360         | 3            | 13         | 2014             | 17%               | 23.2          | 29          | Henson<br>(*17914)                    | 180<br>180  | 21%<br>8%      | 23<br>10%    | 然           | #<br>5%             | 23½<br>10      | 5<br>14     | Utilities 11 16 12 62 81 52 Financiats 85 77 225 426 386 1,127   |   |
| i<br>Sa                           | 43)<br>460  | 35           | 42<br>19   | 49<br>28         | 3%<br>19          | 5<br>22%      | 10<br>27    | Lasmo                                 | 160         | 19             | 26%          | 25%         | 1%                  | 4%             | 4%<br>      | Investment Trusts 59 147 372 329 477 2,084   |   |
| 6<br>(\$16)                       | 800<br>250  | 25           | 50<br>28%  | 群                | 7<br>36%          | 18            | 31<br>58%   | (~176)<br>Ladbooks                    | 180<br>180  | 6%<br>13       | 11<br>18     | 14%<br>22%  | 84<br>7             | 11½<br>10½     | 12%<br>14   | Others 42 49 53 194 254 272  |   |
| <b>i</b> s                        | 550         | ě            | 35         | 62%              | 74                | - 6           | 12          | (*18414)<br>Lucas Indis               | 200<br>220  | 4%<br>15       | 粉<br>1餘      | 14<br>23%   | 1 <del>9</del><br>9 | 22<br>15       | 25%<br>14%  | Totals 584 874 1,563 2,715 3,230 8,078 Deta based on those conformins listed on the London Share Service.  |   |
| KI)<br>Airvans                    | 20<br>000   | 7%<br>16%    | 24<br>325  | 製料               | 15%<br>9%         | 244<br>2086   | 31%<br>28   | (227                                  | 240         | 8              | 11           | 14%         | 214                 | <del>ح</del>   | 26          | The same of the same and the sa |   |
| 41/4                              | 630         | _1           | 12         | 18               | 45#               | 51            | 5           | P & 0<br>(*504%)                      | 500<br>550  | <i>Z</i> :     | 31           | 36<br>174   | 12<br>46            | 28%<br>62%     | 32%<br>65%  | TRADITIONAL OPTIONS  |   |
| 915)                              | 200<br>220  | m<br>W       | 30<br>9%   | 35%<br>17        | 5½<br>40%         | 17<br>46%     | 22%<br>51%  | <b>Plikington</b>                     | 191         | 10             | _            |             | 6                   | -              | -           | First Dealings June 10 Explry Sept 5 Last Dealings June 21 Settlement Sept 12  |   |
| ida Sapet<br>120                  | 160<br>180  | 벊            | 12         | 15<br>6%         | 25<br>17          | 6<br>1896     | 9<br>21     | (*193)<br>Protential                  | 210<br>390  | 77%            | 34           | -<br>44     | 16<br>56            | 12%            | 15%         |  |   |
| ic & Wito                         | 420         | 17           | 30%        | 46               | 6                 | 14%           | 216         | (*408)                                | 420         | ជាអ            | 15%          | 25%         | 19                  | ZTh            | 31%         | Calls: BTR 195/96 Wis, Cortect. Puls: Magazan Power.   |   |
| 27)<br>100 (Unica                 | 级           | 2%<br>21     | 23<br>41%  | 22\\<br>11\\     | 33H)              | 369±          | 4335<br>21  | RTZ<br>1978)                          | 950<br>1200 | 45%<br>21%     | 28%<br>(65)  | 53¥         | 12<br>35            | 26h<br>48      | 35<br>38%   |  |   |
| 7B)                               | \$00<br>850 | 4<br>25%     | 15%<br>44  | 20%              | 27<br>15%         | 43            | 48          | Recland                               | 390         | 25             | 23           | 381/4       | 79                  | 16             | 30          | LONDON RECENT ISSUES: EQUITIES   |   |
| 21)<br>20                         | 900         | 7            | 22         | 62%<br>41        | 43%               | 66%           | 76%         | (*405/b)<br>Rolle-Rosce               | 420<br>220  | 10<br>15%      | IBS<br>연유    | 25%<br>25%  | 22%<br>5            | 316            | 351/s<br>13 | ISSUE And Mid. Close   |   |
| C 75p<br>89)                      | 950<br>1008 | 덩            | 74<br>48%  | 明治               | 74<br>27          | 28%<br>52     | 40%<br>64   | (*226)                                | 240         | 6              | 12%          | 17          | 15%                 | 21             | 23%         | price paid cap 1986 price Net Div. Gra P/E   |   |
| -                                 | 800         | 28           | 4          |                  | 9                 | 274           | 35          | Tesca<br>(*302%)                      | 300<br>330  | 1214<br>3      | 21           | 27<br>14    | 9<br>26)            | 75<br>33%      | 18<br>35½   | p up R2m.) High Low Stock p +/- div. cov. yid hel<br>- F.P. 4.02 55 43 Biocompetities W \$1  |   |
| 13)<br>d Secar                    | 850<br>800  | 5%<br>26     | 214<br>36% | 35<br>45         | 39<br>3           | 52<br>10      | 63<br>1604  | Uto Bacaits                           | 200<br>220  | 72<br>9%       | 28<br>14     | 29<br>18    | 25 <u>.</u><br>10   | 6<br>14%       | 8<br>17     | 90 F.P. 10.1 108 98 (Carisbrooke 100   |   |
| 15)<br>No. 8 S                    | 550<br>445  | 15%          | 274        | 18h<br>35        | 35<br>5           | 37%<br>12     | 40%<br>16%  | (*217%)<br>Opens                      | ىمى         | Ang            | ijo,         | -           | As                  |                | -           | - F.P. 107.1 220 208 Ctty Technology 220 44 F.P. 17.475 2374, East Data Syn 23513, 412 115 F.P. 46.9 158 130 European Telecom 151 -2   |   |
| 9%)                               | 500         | 1            | 10         | 15               | 31                | 30%           | 35          | Williams                              | 730         | 14%            | 19%          |             | Bh                  | 13             |             | 115 F.P. 46.9 158 130 European Telecom 151 -2 F.P. 45.7 138 123 †Roemet Group 123 -0   |   |
| 1946)<br>2014                     | 600.<br>630 | 25<br>5      | 46<br>17%  | 亞                | 54<br>32          | 16%           | 27%<br>55   | C335)                                 | 350         | 3              | 7            | -           | 20%<br>Sep          | 32<br>Dec      | -           | 100 F.P. 94.5 97 91 2 Fidelity Asien V 92  |   |
| <i>llers</i><br>51)               | 750)<br>800 | 27%<br>7     | 52<br>27%  | 製料               | 12%<br>43         | 31<br>31      | 40%<br>650a | British Ges                           | 180         | <del>-</del>   | <del>-</del> | <del></del> | <del>-</del>        | 12             |             | 80 F.P. 3.15 65 63 (Fieldane 63  |   |
| al inace                          | 390         | 22           | 35         | 4                | 4                 | 13%           | 25          | (M83)                                 | 200         | 4%             | 7            | Sh.         | 19                  | 24%            | 26          | - F.P. 34.6 20 19 (Gold Mrs Sardinia 19 F.P. 5.36 11 10 (Gold Sard Wrs 10  |   |
| NGYA)<br>Ngbury                   | 426<br>380  | 5<br>Sf      | 14%<br>40% | 名                | 17%<br>#          | 25%           | 35%<br>8%   | Übons<br>(*529)                       | 500<br>500  | 38%<br>14      | 53%<br>26%   | 数           | 11%<br>37           | 15%<br>43%     | 23h<br>48   | 190 F.P. 7.74 116 112 Hydro-Dynamic P 115 F.P. 48.4 297 285 1658 286 -7 20.6 - 0.3 -   |   |
| 1974)                             | 390<br>800  | 7%<br>37%    | 20%<br>20% | 26%<br>63        | 7½<br>4           | 14<br>17      | 19%<br>21%  | (Wichellis)                           | 180         | 94             | 14           | 栅           | 8H                  | 18             | 17          | - F.P. 5.57 280 270 ES Westeres 270 -7   |   |
| ri Treucs.<br>1194)               | 990         | 7%           | 24         | 25%              | 24%               | 41%           | 454         | [782)<br>Licvde(758                   | 200<br>300  | 2%<br>23%      | \$%<br>26%   | 35¥         | 19%                 | 22<br>12       | 23)<br>1914 | - F.P. 14.4 116 106 †independent Ergy 110  |   |
| 5 Beton<br>1772)                  | 897<br>738  | 伤伤           | 35<br>183: | _                | 13%               | 30<br>5294    | -           | (*314)                                | 330         | 8%<br>8%       | 15%          | 21<br>15%   | 24<br>7½            | 28<br>10       | 35<br>125   | - F.P. 33.3 123 123 Lands improvement 128 -1 F.P. 2.51 125 110 Maints Hithcase 110   |   |
| Chartel                           | 600<br>850  | 90%<br>19%   | 74<br>47   | \$1<br>\$1       | , B               | 25<br>49      | 35%<br>58%  | (181%)                                | 180<br>200  | 25¢            | 13<br>5      | 7%          | 21                  | 225            | 24%         | - F.P. 101.3 500 435 PPL Therapeutics 453 +3 F.P. 24.5 98 96 Renalesance US G 98   |   |
| (2)5)<br>(100, Wit                | \$30        | 184          | 35h        | 4                | - G               | 16            | 24%         | (Trange<br>(*24115)                   | 240<br>260  | 25<br>7        | 29<br>14     | 27)÷        | 10<br>22            | 14<br>25%      | 18%<br>27%  | 70 F.P. 18.5 75 71 SEA Multimedia 73   |   |
| 51 KJ<br>1662)                    | 600<br>1350 | 5<br>\$      | 16<br>53   | 25<br>128        | 剪功                | 44%<br>45%    | 级           | Relitraci.                            | 320         | 9              | 12           | 13          | 175                 | 21             | 25%         | 100 F.P. 100.0 109½ 51 Templeton Eng C 100 -1  |   |
| 381)<br>Ion                       | 1400        | 27%<br>Jed   | 86<br>Dea  | 93               | 40%<br>Jul        | 68)<br>Oct    | 52%         | ("220%)<br>Scot Fower                 | 240<br>300  | 2<br>24%       | 5<br>25      | 5<br>31%    | 34%<br>13           | 36<br>15%      | 40<br>23    | 174 F.P. 19.7 178 174 Tressa Group 175 84 F.P. 3.84 95 91 (Whitecross 98   |   |
| ertanida                          | 420         | <del>-</del> |            | <u>-</u> -       | 64                | - <del></del> |             | <b>(3119)</b>                         | 330         |                | 15%          | 1077        | 22                  | 35%            | -11         | Attemptive investment Market. For a full explanation of all other symbols presso roler to The London Share Service notes.  |   |
| 2936)                             | 450         | 112          | 12%        | -                | 311%              | 35%           | -           | 7#################################### | 110<br>120  | 12<br>6        | 14%<br>9%    | 17<br>12    | 834                 | 7%<br>12%      | 2<br>13     | STEELE STOLE VENIET  |   |
| 101G60<br>72)                     | 45)<br>50)  | 19<br>39±    | 35%<br>19  | -                | 7<br>30%          | 15%<br>36     | -           | Tomidas<br>(*241)                     | 240<br>250  | 10%<br>2%      | 14%<br>7%    | 17<br>18    | 12%<br>27%          | 14%<br>28%     | 17%<br>30%  |  |   |
| rehouse<br>18)4)                  | 30ô         | 21<br>3%     | 25%        | -                | 1½<br>14          | 5%<br>19      | -           | Conten                                | سوم         | Sep.           | Bac          | feb         | Sep<br>Sep          | Des            | Feb         | RIGHTS OFFERS  |   |
| lajger                            | 56)         | 1            | 1          | -                | <b>%</b>          | OV.           | -           | Blue Circle                           | 350         | _              |              | 32%         | 13                  | 19             | 18%         | lasue Amount Latest<br>price peld Renun. 1996 Closing  |   |
| ()<br>  (기)                       | 餌           | <u>.</u>     | Det        | <u> </u>         | 10<br>14          | 10<br>8a      | Feb         | (*366%)<br>O <b>ol</b> lan            | 390         | 8<br>\$46      | 16<br>Dec    | 19          | 301a<br>जैस्म       | 36<br>Dec      | 356<br>Apr  | p up date High Low Stock price p +or-  |   |
| glishes                           | 600         |              |            | 71h              |                   |               |             |                                       | 50b         | ب              |              | 198%        |                     | <del>-</del>   | 24          | 122 NB 23/7 14pm 8pm Burford 12pm<br>810 NB 28/6 115pm 80pm Catachley 60pm -8  |   |
| \$\$ <del>14)</del><br><b>(a)</b> | 850         |              |            | 435h<br>Det:     |                   |               |             | (*542)                                | 550         | 19             | 31%          | 42          | 29                  | 35             | 45          | 153 Na 24/7 71pm 53pm Enterprise Inns 71pm   |   |
|                                   | 1250        | _            |            | 78%              |                   | _             | _           | (2000) (2000) (2000) (2000)           |             | 器              | #            | 級           |                     |                | 28X         | 140 NE 1777 26pm 16pm Firstbus 23pm<br>1/200 NE 23/7 303µpm 253µpm Green Property 303µpm ±21 <sub>2</sub>  |   |
| 272)                              | 1300        |              | 鸿          | 477              | 33                | 43            | 52%         | Half Power                            |             |                |              |             |                     |                |             | 105 NB 167 108pm 98pm Skenchley 100pm  |   |
| na<br>Tands                       | 1000        |              | 30%        | - <del>188</del> | 19                | 28            | _           | (*531½)<br>Option                     | 240         | 6%<br>Sep      | Ti Yz<br>Dec |             |                     | Dec            | מנות        | pon premium.   |   |
| 049                               | 550         | 31/2         | 13         | 196              | 56                | Ħ             | 63          | Ametrol                               | 140         | _              |              |             | 7½                  |                | _           | Maradara Calinda Marinda   |   |
| <b>lefona</b><br>36%)             |             |              | 29<br>11   | 31<br>201/5      | 3<br>11           | 8<br>16%      | 10%<br>19%  | F142VS)                               | 铟           | 5%             | 135          | _           | 1995                | 22             |             | FINANCIAL TIMES EQUITY INDICES   |   |
| 00 mj                             |             |              |            | Ré               |                   |               |             | Seza:9<br>(*1011)                     | 100<br>110  |                |              | -           | 305<br>20           | \$%<br>11%     |             | Jun 21 Jun 20 Jun 18 Jun 18 Jun 17 Yr ago "High "Low<br>Ordinary Share 2743.0 2748.4 2768.9 2776.8 2784.5 2535.9 2888.2 2696.7   |   |
| 1                                 |             |              |            |                  |                   |               |             | Thora 6Mil                            | 1800        |                | 115          | -           | 62                  | ខាង            | -           | Ord. day, yield 4.07 4.07 4.04 4.03 4.02 4.20 4.07 3.76  |   |
| 55%)<br>AGD                       | 280<br>250  | 8<br>\$1     |            | 16)/s<br>90%     | 移                 |               |             | (*1819%)<br>Optos                     | 1900        | Sign<br>Seep   | rom<br>-     |             | 125.<br>Sen         | 140%           | _           | P/E ratio net 16.19 16.22 16.33 16.37 16.40 15.86 17.25 15.96 P/E ratio mi 16.10 16.13 16.24 16.28 16.31 15.63 17.03 15.76   |   |
| 75 <b>1</b> 6)                    | 1000        | 26           | 4          | <b>53H</b>       | 42                | 57            | 肠           | Forte                                 | 363         | 47h;           |              |             | <del>-</del> -      |                |             | Ordinary Share index since compilation: high 2865.2 19/04/98; low 49.4 26/06/40. Sees Date: 1/7/35.  |   |
| Telecon<br>5259)                  | 990         | 944          | R          | 11               | 40                | 42            | - 6         | (*38874)                              | 373         | 21             |              | _=          | 2                   | Ξ              |             | Ordinary Share hourly changes  |   |
| bay Sch<br>1774)                  | 450         | 46           | 200        | <b>5</b> 2       | 30 <u>6</u><br>17 | 10<br>29      | 14<br>20    | * Underlying<br>beset on a            |             | u y s          | rico.        | Poursi      | <b>STR</b> 5        | i prod         | i pie       | Open 8.00 10.00 11.00 12.00 13.00 14.00 15.00 18.00 High Low   |   |
| ., 14<br>]                        | 330         | 3            | 2511       | 34               | 49                | 71            | 1779        | June 21                               |             | odelů<br>Odelů | ech.         | Equ         | ty s                | nd &           | ndex        | 2748.7 2748.8 2754.A 2748.A 2749.1 2750.8 2753.A 2752.6 2748.2 2754.8 2743.D   |   |

8 ZF2.14 485.21 355.81 390.08 1 344.72 437.76 339.37 350.18 1 176.85 182.99 146.15 146.88 1 350.11 380.77 285.58 285.58 1 184.94 225.34 191.24 192.49 1 184.75 183.95 148.74 172.94 1 225.46 237.43 210.29 219.18 289.69 276.47 221.88 222.86 FT GOLD MINES INDEX 187.21 190.44 258.16 258.15 146.86 156.09 218.79 217.73 190.65 170.78 243.50 253.23 167.36 180.82 Gold Milnes Jodes (31) iz Regional hideos 2.62 2.65 0.73 4하다 (15) 2471.25 +1.1 2444.88 2374.33 1850.51 -0.6 1862.26 1759.58

37.71 3553.86 2272.74 26.96 2927.34 2142.76 65.81 2186.39 1488.94

TRADEPOINT INVESTMENT EXCHANGE

Jun 21 Jun 20

Jun 21 Jun 20 Jun 19 Jun 18 Jun 17 Yr ago 1102.40 1102.40 1105.70 1110.40 1118.80 -

22,436 2294.4 38,836 727.8

135.85 180.83 171.11
129.22 149.68 148.62
142.10 164.99 160.67
118.22 136.94 130.85
108.79 127.17 158.89
205.24 227.74 238.51
132.20 153.13 188.60
131.96 152.85 158.36
116.03 134.40 134.40
1291.96 338.18 424.06
198.35 228.79 257.55
57.10 58.14 85.79
107.88 124.36 107.88
384.80 445.71 540.38
389.74 972.89 10128.09
201.00 225.33 229.01
54.39 63.01 62.24
173.88 201.41 226.04
173.88 201.41 226.04
173.88 201.41 226.04
173.88 201.41 226.04
174.03 143.67 178.27
175.53 294.41 351.90
163.09 188.01 185.43
113.57 131.55 163.12
158.39 184.62 224.05
186.49 195.16 207.03 1.90 4.158 2.39 1.88 2.697 1.85 2.30 0.71 1.57 1.57 3.15 4.36 2.11 2.03 4.16 2.03 4.16 2.03 4.16 2.03 203.46 144.80 165.82 178.02 179.00 185.05 205.00 185.05 291.41 187.57 138.49 164.17 115.84 409.45 291.41 277.76 187.58 80.08 55.99 151.35 107.72 201.66 75.73 53.90 245.38 174.84 403.02 258.87 124.41 342.17 243.52 174.61 124.41 342.17 243.52 228.87 162.69 161.44 114.69 259.01 184.34 167.48 163.49 215.81 173.650 318.31 172.90 127.35 159.48 165.12 237.11 123.41 165.40 156.03 196.39 135.14 174.38 137.05 423.89 425.14 125.14 174.38 137.05 423.89 425.18 125.55 34.53 124.59 107.72 164.88 439.59 533.96 585.00 981.18 10210.11 1325.65 139.05 299.82 192.69 195.30 170.94 426.33 289.21 83.38 157.69 558.02 ...83.45 558.02 1241,07 295.46 76.85 255.50 419.64 362.27 182.02 358.27 238.31 167.78 234.75 289.69 1227.34 Moxico (18). 78.46 244.42 405.95 346.56 174.34 345.14 229.24 159.84 224.05 259.24 .422,10 .350.35 Spain (37) ..... 193.40 132.65 185.59 230.86 289.68 259.01 184.94 213.21 289.59 276.47

246.42 286.67 168.44 194.82 207.16 252.43
210.95 202.50 144.19 168.78 184.74 211.58
304.89 225.65 208.27 240.95 258.74 306.61
189.88 183.26 116.19 124.39 118.56 177.01
186.95 178.55 127.78 147.90 143.56 190.57
202.95 252.55 178.74 207.85 282.25 268.52
182.77 185.14 181.77 152.40 160.18 189.57
286.32 274.96 195.71 226.35 247.27 296.56
188.14 180.68 128.60 148.74 146.10 191.55
211.07 202.71 144.27 186.87 178.71 213.05
244.14 254.47 186.88 193.01 231.22 247.55 168.49 143.46 209.35 116.47 2,20 3,07 2,32 1,18 2,05 2,20 2,48 3,07 2,06 1,92 2,54 195.16 207.46 156.17 183.90 242.48 264.63 194.91 179.65 147.95 143.52 206.27 262.12 151.97 156.60 228.15 248.53 148.77 147.94 167.12 178.66 193.07 230.85 246.25

168.72 182.94

-0.1 2.12

# LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without parmission. Details relate to those securities not included in the FT Share Information

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talkarrain system, they are not in order of execution but in ascending order which denotes the day's highest and lowest

those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given ‡ Bargains at special prices. • Bargains done the previous day.

British Funds, etc Treasury 13% % Sex 2000/03 • £122 122% 22122<sup>1</sup>2 (19.666)

Corporation and County

Briningham Corp 3% 8th 1947(or after) - 232 (173696) Briningham Corp 31<sub>2</sub>% 5th 1946(or after) -237<sup>1</sup>4 (173696) Elmargham District Council 1112% Red Silk 2012 - C1194 (1946) BristoffCiny of 112% Red Silk 2008 - E118 Coverby (Cay of 814% Ln Six 2026 - 632.4 (1446)6)

Croydon Corp 312% Stk - £38 (18Je86) Islington Corp 12.65% Red Stk 2007 - £123 (19Je86) (19Je96) Leads(City of) 13<sup>1</sup>2% Fied Stk 2006 - £130% (19Je96) Enrichester(City of) 17.5% Red Stk 2007 -£118<sup>1</sup>2 (17.4698) anderland(Barbugh of) 11 ½ % Fied St. 2008 - £120¼ (14,1696)

UK Public Boards Port of London Authority 312% Sik 49/99 -59114 (17.1696)

Foreign Stocks, Bonds, etc-(coupons payable in London) Hungary, (Reputalic off 7/2% Stig Bots/Assot Lon 1968 Seth - C45 (18Je85) Abbey National Sterling Cepted PLC91, % Subord Ond Bids 2004(BrtVans) - £100-1 Abbey National Treasury Servis PLC 6% Glid Nts 1999(9):47000,10000,100000) -ccc 2964, 456

Abbey Notional Treasury Serva PLC 64% Gar Nis 1999 (BrECU1000,10000) -EC1014 Abbey National Treasury Sens PLC 7.125% Gtd Nts 2001 - £97.85 (19.869) Abbey National Treasury Servs PLC 8% Cad Bots 2003 (pr £ Var) - £39.1 %

Asda Finance Ld 104,96 Cmy Cap Bds2005(Br £50008,100000) - £1264<sub>2</sub> Bds2005(Br £5000&100000) - £126½ BAA PLC 5½% Gre Bds 2008 (Brc5000&50000) - £100½ (17Je96) BAA PLC 5½% Gre Bds 2008 (Reg.Mult.C) -£100 100 ½ ½ ½ 3 1 3 80C Group PLC 5<sup>2</sup>4 % 8ds 2004(84°2 Vars) -190 (18Je96)

s Bank PLC 8.875% Undated Subord British Gas Intl Finance BV 81/2% Glidhts 1998(Br\$1000,100002.100000) - \$1031/2 (17Je96) intesh Gas PLC 10% % Bas 2001(9r 179-1701) - £1101<sub>2</sub> (79-

(17Je96)
British Gas PLC 10<sup>2</sup>/<sub>8</sub>% Bds 2001(Br £100), (1000081000001) - £110<sup>1</sup>/<sub>2</sub> (19Je96)
British Gas PLC 8<sup>2</sup>/<sub>8</sub>% Bds 2008 (Br £ Var) - £98<sup>3</sup>/<sub>8</sub>/<sub>9</sub>0
British Telecommunications PLC Zero Cpr Bds 2006(Br£1000810000) - £78<sup>3</sup>/<sub>8</sub> (17Je96)
British Telecommunications PLC 7<sup>1</sup>/<sub>8</sub>% Bds 2003 (Br £ Var) - £95 (18Je96)
Caribury Schwerpes PLC 8.25% Nts 1999(Br\$10000\$ 100000) - £96<sup>3</sup>/<sub>8</sub> (18Je96)
Daty Mal & General Trust PLC 10<sup>3</sup>/<sub>8</sub> Bds 2021(Br\$10000\$ 100000) - £96<sup>3</sup>/<sub>8</sub> (18Je96)
De Nationale Investoringsbank N.V. 6<sup>3</sup>/<sub>8</sub>% Bds 22/12/89(Br £ Var) - £95.9¢ 6¢
Dow Chemical Co Zero Cpr Nts 305<sup>5</sup>/<sub>9</sub> 97(Br\$1000810000) - £94.34 (14Je96)
Eastern Group PLC 8<sup>3</sup>/<sub>8</sub>% Bds 2004(Br£ Var)

Eastern Group PLC 8 1/96 Bds 2004/Br£ Vars eronse Finance PLC 64% Grd Even Bds 2006 (Reg £5000) - £100 (18. Fisons PLC 8% Bds 2003 (Br£Ver) -

Halifax Building Society FRN 1998(BrC100008,10000) - C100.08 100.1

(181856)
4afflex Building Society Callared Ptig Rte Nts
2003 (Br £ Var) - £97 ½ (171486)
4ardmerson PLC 55% Crv 8ds 2006 (Br £
Var) - £93½ 93% (181496)
4arson PLC 8½% Crv Subord 2006 (Br
£Var) - £100% (Bluese)
4arson Tusk PLC 10% Bds 2006 (Br£5000)
- £106% (1414866) Trial Chemical Industries PLC 10% Bds 03(9:21000810;000) - 2109% (14Je98) in Development Bank 7%% God Nis 07 dbc Ven - ote 8%

Japan Development Bank 73 2003 (BrC Var) - 096.6 13 Japan Hill Corp for Municipal Ent. 84 % Gats Bds 2006(B-USS5000-100000) - 291.84¢ Kyushu Bacinic Power Co Inc 84 % Nis 1899(B-S5001, 10000,100000) - \$103.85 (17.495) Land Securidae PLC 64% Cnv Bds 2002/BS-70004, 1006 Cov 4488

Land Securides PLC 6-1/4 Cnv Bds 2002[3:C1000] - 236 (18.1998) London & Manchester Group PLC 8-1/4 Nrs. 2004[8:CVars] - 2100.126777 Lonnho Finance PLC 8% Gld Cnv Bds 2004[8:CVars] - 210113-1/3 Lonnho Finance PLC 8% GldCnvBds 2004[8:C1000.50000,100000] - 210714 (18.998)

onal Grid Co PLC 8% Bds 2006 (Br E Internal Westminster Bank PLC 1112% Und-SubNis \$1000(Cnv to PrijBr - \$10714

eds 2015(8PC1000081000003) - 1994;
(13,1495)
Royal Bark of Scotland PLC 105g% Subord
Bds 1996 (8PC5000825000) - 1105g%
Sainsbury(J) PLC 8 25% Nts 2000(8PC Vars) £1012; (17,1496)
Soursbury (J)(Channel Islands)(J)
812\*\*CorvCapBds 2005(8P 550008,100000] £122 (17,1496)
Scotlast Anticiple Engage PLC 8 5%

Scottish Anticipile Finance PLC 8.5% Undated Subord Gld Bds (BrCVar) - 2864 (14,656) SEEBOARD PLC 812% Bos 2005(Br C Var) -1972 (16.859) ino-Tha Engring&Con Public Co Ld 1,75% Cm Bds 2003 (RegkriMuk\$1000) - \$107.2 107% (18.899) Smithline Boscham Capital PLC 8-1,460tal Nts 2000B-1000,10008-100000 - 2101% (14,696)

(14,030) Tarmas Finance (Jorsey) Ld 91<sub>2</sub>% Criv Cap Bds 2006 (Reg C1000) - E1001<sub>2</sub> Tesco PLC 81<sub>4</sub>% Bds 2000(BrtVars)(FyPd) -Tesco PLC 84% Bds 2003(BrtVars)(FyPd) -£102.45¢ Tharnos Water Utilities Pinance PLC 1012% Gtd Bds 2001 - £110.4

Gut Bals 2001 - C1 10.4
Warburg S.C.3 Group PUC 9% Perp Subora
Nis (RophisBrC) - D33 (14.4e96)
Yangmung Marine Transport Coop 2% Bals
2001(Reg \$1000) - \$12314, 124.3 (17.4e96)
Yorkshire Electricity Group PUC 94-16 Bals
2020(Bit Vers) - D37 101,034 (17.4e96)
Yorkshire Electricity Group PUC 94-16
Bals 2020(Reg £1 Int multi thereof) - D3776
188.4e96

1184990
Abbey National Treasury Serva PLC
PTE3,850m 1,5% Nts 6/11/06 - PE97.42
Abbey National Treasury Serva PLC
ESCS000m FRM 129/97 - PE91.99
(194,95)
Abbey National Treasury Serva PLC
PTE3500m 3% Nts 6/10/97 - PE92.67

Abbey National Treasury Sens PLC \$500m 8.625% Nis 23/5/2001 - £38.14 (19Je96) ayorischo Landesbork Grozentralo PT7500m 0.50% Nrs 10/4/97 - PE94.78

FT-SE ACTUARIES INDICES

Cernex S.A. DE C.V. \$300m 9.50% Cond Gtd Nts 20/8/2001 - \$951<sub>2</sub> (141/96) nus curerzau - 390-2 (14.688) leutsche Pfendbrief-Und Hypo AG \$200m 6.125% Debt inst 94/89 - \$36.56 (15.696) Inland(Republic of) 2500m 7% Bids 28/10/ 2000 - 296½ (14.1e98) Inland(Republic of) 2500m 8% Bids 2003 -298,77 (19.1e98)

ord Credit Europe PLC \$200m 8% No. 22/ 12/87 - \$107\$& Henraldon 12/87 - C1017a/b Inst 27/397 - PEBS.45 (14,696) Inst 27/397 - PEBS.45 (14,696) Inst 27/397 - PEBS.45 (14,696) International Endess BV PT2,034m 194 Debt Inst 27/396 - PEBS.1 (14,696) andwirechaftiche Rentenbank 0M/300m 5-75% Nis 24/10/2000 - Daniel 1004 (18,696) lew South Wales Tressury Corp S4100m 94/5 Nis 20/8/2005 - S4101 (17,696) Insternational Konnodibana, AG S2000

Cesterreichsche Kontrolleren AG 2200m 6.125% Groß Na 301.128 - 388.9 Sans Lee Corporation \$100m 6% Nts 27/11/ 98 - 398.8 (18.495) Survesterreich sd - 598.8 (19.696) Sudwestdischellandhir/T900m 5% Debt Inst 27/3/97 - PE94.93 (18.695) Vensk Exponteredit AB \$150m Zero Con Debt Insts 23/1/87 - \$96.8 (14Je96) Sweden(Kingdom of) \$C200m 814% Debt instr 29/12/99 - \$C10412 (17,698) \$weden(Kingdom of) C350m 75/96 Bds 28/7/ 2000 - £100.55 (14,698)

Sterling Issues by Overseas

Borrowers Asian Development Bank 104% Ln Stk 2009(Reg) - £1134 (18Je96) sentin off 13.5% Lin Stic 2010 - C1364, 2010 - C1364, Credit Fonder De France 101 - CndSerLnSt(2011,12,13,14(Reg)

European Investment Bank 10½% Ln Stx 2004(Reg) - £112½ (17.498) European Investment Bank 11% Ln Stx 2002(Reg) - £114½ (14.498) Finland(Republic of) 11½% Ln Stx 2009 (Reg) - £121½ (19.498) Hydro-Quebac 12.78% Ln Stx 2015 - £131½

New Zesland 1114 % Six 2008(Reg) - £120 New Zesland 1114 % Six 2008(Reg) - £120 New Zesland 1114 % Six 2008(Reg) - £120 £121.477 (14.1696) New Zegland 11½% Stk 2014[Reg) -£127.75 (19.1696) Nova Scotta(Province of) 11½% Ln Stk 2019

Mexicanos 141<sub>2</sub>% Ln Sik 2006 -Petrolecis Metrolecis £113<sup>1</sup>2 (19Je86) Province de Quebec 12<sup>1</sup>4% Ln Sik 2020 -Province 15 ... \$128.73 .77 Spain(Kingdom of) 11 k% Ln Stk 2010(Reg) -£1237g \$\phi\$ 43g \$\phi\$ Sweden(kingdom of) 9½% (in Sik 2014(Reg)) - 1708¼ (p<sup>3</sup> )g¢ Sweden(füngdom of) 13.5% (in Sik 2010(Reg) - 1737½

Listed Companies(excluding Investment Trusts) APV PLC 4.55% Cum Pri E1 - 65 (17.466) APV PLC 6.25% Cum Pri E1 - 75 (19.466) ASH Capital Finance(Jersey)(Ld 91<sub>2</sub>% Cnv Cap 8du 2006 (Reg Units 100p) - 231

ASH Capital Finance(Jersey)Ld 9<sup>1</sup>2% Criv Cap Bds 2006 (Br £Var) - £88<sup>1</sup>2 (17.Je96) Abbay National PLC 10<sup>1</sup>3% Non-Cum Stern Trust PLC A Was to Sub for Org . n Fisher Group PLC ADR (10:1) - \$7.38 (18.Je96) Wexon Group PLC 6.25p (Net) Criv Cum Red

(10.450) Alexon Group PLC 6.25p (Net) Criv Curn Red P1 10p - 831<sub>2</sub> Allied Domecq PLC ADR (1:1) - \$7.15 7.34 Allied Domecq PLC 712 % Curn P1 E1 - 80 2 Allied Domecq PLC 111<sub>4</sub> % Deb Stx 2009 -£123,568 .618 rt B.le9 Allied Dometa PLC 71,16 Uns Ln Stk 93/98 -59914 1, (19Je96) 1999 4 (19498)
Alled Domeog Financial Serve PLC 84%
GtdCm/SubordEds/2009 PLC 5.5% Cay Cum No

ANSP PLC 5.37% COW COM NON-Virg Red Pri C1 - 82 (18.698) Aminex PLC Ord Int0.05 - 58 Andrews Sylves Group PLC Cav Pri SOp -101 1/2 2 (19.698) Anglem Water PLC 51/3% Index-Linked Ln Stx 2008(5.478%) - \$1291/2 Angloves Ld N Ond R0.0001 - \$24.45 (14.698) Angloves Ld N Ond R0.0001 - \$24.45 (14.698)

(174/e86)
Asida Property Hidgs PLC 9.125% 1st Mitg
Deb Site 2020 - 29714
Asida Property Hidgs PLC 10 5/16% 1st Mitg
Deb Site 2011 - £10712 (184/68)
Automated SecurityHidgs) PLC 5% Cnv Cum
Red Pri £1 - 73 14
Automated SecurityHidgs) PLC 6% Cnv Cum
Red Pri £1 - 73 3
Automative Products PLC 9% Cum Pri £1 - 73 14
Automated Pri £1 - 73 3
Automative Products PLC 9% Cum Pri £1 - 97 (184/691) Attendate Products PLC 8% Cum Pri E1 -97 (18Je96) BAT Industries PLC ADR (2:1) - £10.4342 \$ 18.1244

18.1244
BET PLC ADR (4:1) - \$14\4\6
BLP Group PLC &p (Net) Cnv Cum Red Pri
10p - 83 (14.4693)
BOC Group PLC ADR (1:1) - \$14.38 (17.4695)
BOC Group PLC 2.5% Cum 2nd Pri 51 - 38
BOC Group PLC 2.5% Cum 2nd Pri 51 - 51
BOC Group PLC 2.5% Cum 2nd Pri 51 - 51
BOC Group PLC 2.5% Cum 2nd Pri 51 - 51
BOC Group PLC 12\4\6 Uns Ln Stk 2012/17
- \$128.785\6 .835\6
BTP PLC 7.5p(Net) Cnv Cum Red Pri 10p 175 (18.4695)

BTP PLL 7-Spread on The State of State Belley(C.H.) Ps.C. 18\* Ord 10p - 34
Benner Homes Group PLC Ord 10p - 75
(18Je99)
Bendeys PLC ADR (4:1) - \$48.92 (18Je99)
Bendeys Bank PLC 12% Uns Cep Ln Sik
2010 - £121½ (17Je98)
Bendeys Bank PLC 18% Uns Cep Ln Sik
2022/07 - £137% (18Je99)
Bendon Group PLC 7.25p (Net) Cnv Red Pri
25p - 97
Bendon Group PLC 7.125p Cum Red Pri
2005 10p - 107 8½ ½
Bendetb Exploration Ld Ord R0,01 - 164
(14Je98)

(14,ke98) Barr & Wallace Amold Trust PLC Ord 25p -

(14,4845)
Earr & Wallace Amold Trust PLC Ord 25p - 235 40 1 (17,486)
Bass PLC ADR (2-1) - 255,28 (14,486)
Bass PLC ADR (2-1) - 255,28 (14,486)
Bass PLC 103,96 Deb Stk 2016 - £1133, (17,485)
Bass PLC 74,96 Une Lin Stk 82,97 - 2951/2
Bass Investments PLC 73,96 Une Lin Stk 82,97 - 2991/2
Bass Investments PLC 73,96 Une Lin Stk 82,97 - 2991/2
Bass Investments PLC 73,96 Une Lin Stk 92/97 - £991/4 (18,486)
Barquean dry AS TB Non Vig Stre NG2.5 - NK1194/2 551/4
Birmingham Medahras Building Soc 91/8 - Parm Int Bearing Ste £1000 - £991/4
Bio Circle Industries PLC 51/8 - 240 Deb Stk 1984/2003 - £761/2 (18,4866)
Bio Circle Industries PLC 61/8 Lins Lin Skid1975 or atil - £571/4 (17,1695)
Boots Ca PLC ADR (2:1) - \$18,71 (19,1695)
Boots Ca PLC ADR (2:1) - \$18,71 (19,1695)
Bractical & Bingley Building Society1113/8
Perm Int Bearing Stre £10000 - £118,3875

1/2
Bractord & Bingley Building Society113/8

Factors & Brigger Building Society 13%, Parm for Bearing She £10000 - £1324, (18.468) From the medional PLC 9% Curn Red Prf £1 - 27% Brent Walker Group PLC Wits to Sub for Ord Prior Water Group PLC Wis to Sub for Ord 
- 0's (17/898)

Breat Water Group PLC 8.5% 3rd Mon-Cum 
Criv Rad 2007/10 C1 - 2 (17/898)

Bridger PLC 65-5% Uses Ln Six 2002/07 - (52 
(14/898)

Bristol Water PLC 84/5% Cum Into Pvf C1 - 
111th

Boyarische Landesbank Ginzangsle PTESOO 1% NS 15/12/87 - PEBB.58 (18Je96) X Water PLC 312% Perp Deb Sik - 537

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Bristol Water Hidgs PLC Ond \$1 - \$13.24
Bristol Water Hidgs PLC 6.75% Cum Crw
Pact Pri 1998 She \$1 - 225 (14.886)
Bristol & West Building Society 133-76 Perm
Int Bearing She \$1000 - \$1375, 3
Britannia Bristing Society 13% Perm Int
Bearing She \$1000 - \$132 2
Bristol Areason DIC AND (2014) Ritish Airespa PLC ADR (10:1) -585.747142학 북학 .759641학 .84학 북학 6학 북학

-American Tobacco Ca Ld 5% Cum Pri S& £1 - 55 (18Je96) Can Tobacco Co Ld 8% 2nd Cum Pri Stk £1 - 63 Cam Pri Sat 11 - 63 British Tittings Group PLC 5.5% Cnv Red Pri 11 - 65 9 (18.1689) British Land Co PLC 995 Subord Ind Criv Bdo(Reg) - 2944; 3 (19.1696) British Land Co PLC 1072% Dto 1st Mitg Deb Sat 201924 - 12110 (19.1689) British Petroleum Co PLC 8% Cum 1st Pri 121 - 8912 

Canada Step PLC 11-279 Deb Dot 2018 2122 in 17-4696)
Broton Estate PLC 9.50% 1st Mitg Deb Sit 2029 - 2102 in 16-279 Sit 2029 - 2113 in 16-279 Sit 2012 - 2113 in 16-279 Sit 2012 - 2113 in 16-279 Sit 2013 - 279 (1-4-689)
Brownijchn) PLC 55-2% Sic Lu Sit 2003 - 279 (1-4-689)
Brownijchn) PLC 4.60 (Net) Chr. Cum Red Pt 200 - 56
Blughty PLT 4.60 Pt C Art Site 50 - 63
(18-669)
Butter Holding PLC 4.60 (Net) Chr. Det 16-689
Butter Holding PLC 4.60 (Net) Chr. Det 2009 Site 50 - 63
(18-669)
Butter Holding PLC 4.60 (Net) Chr. Det 2009 Site 50 - 63 rif4.PJHidas PLC 8%% 2nd Cum Pri

£1 - 108½ (18Jes6) tulmer(H.P.)Hidgs PLC 8½% Cum Prf £1 -107 (18Jes6) 107 (18Je96) umah Casard PLC 9% Cum 1st Pri Stk £1 - 62 h Castrol PLC 714% Cum Red Pd 21 n Castrol PLC 8% Cum Art £1 - 86 Burman Costrol P.C 6% Curn Pri E1 - 86 (17,1686) Burndene Investments P.C 15% Uns Lri Stk 2007/12 - E126 (19,1686) Burton Group P.C 8% Uns Ln Stk 1996/ 2001 - 5983, Butte Maring P.C 10% (Net) Criv Curn Red Pri 1994 10p - 31a (14,1686) Celficargy Co Inc Sits of Corn Stk \$0.0675 -\$20% (16,1686) Central & Bencintal Properties P.C 6,76%

Capital & Regions: Properties PLC 6.75% Conv Sub Una Loan Stk 2006/16 - 102 (14,986) arcto Engineering Group PLC 10<sup>1</sup>2% Cum Red Pri St - 110 (18,986) artton Communications PLC ADR (5:1) -Cariton Communications Flux (2014) 40 Cariton Communications PLC 71/2% Cnv Subord Bds 2007(Fleg £5000) - £1851/4 3/2

Subord Bids 2001/17/19
2 (1934:68)
Cater Alien Hidgs PLC 5% Cum Pri E1 - 53
(17,46%)
Cater Plain Inc Sits of Com Sit \$1 - \$68.58¢
Centes Corporation Shs of Com Sit \$0.25 -Caterpiller into Sits or Com Sits of Com S Pipp int auto-City Site Estates PLC 5.25% City Court Pf C1 - 70 Clayhthe PLC 9.5% Subord City Uns Ln Stk 2000/01 - 599 (19.668) Clayeland Piace Holdings PLC 12\*9% Red Deb Stk 2008 - £125.32 .35 (19.656) Coastal Corporation Site of Com Stk \$0.33 1/ coastal Corporation Site of Com Stk \$0.33 1/

3 - \$40% (19.1696) Costs Patons PLC 412% Uns Ln Stk 2002/07 - \$884; Costs Patons PLC 64;% Una Ln Sik 2002/07 Coats Viyetz PLC 4.9% Cum Prf £1 - 651<sub>2</sub> Commercial Union PLC 3.5% Cum Red Prf C1 - 83 4

Commercial Union PLC 8½% Cum land Pri C1 - 103 3 ½ ½ ½

Commercial Union PLC 8½% Cum land Pri C1 - 105 ½

Co-Operative Bank PLC 8½% Cum land Pri C1 - 106 ½

Co-Operative Bank PLC 8,25% Non-Cum land Pri C1 - 108½ (19,198)

Cookson Group PLC 4,3% Pri Ord 50p - 33

Cookson Group PLC 4,3% Cum Pri C1 - 67½

(17,1989)

Cookson Group PLC 4,8% Cum Pri C1 - 67½

(17,1989)

(17.1459)
Cooper (Frederick) PLC 6.5p (Net) Cnv Red Cum Ptg Ptf 10p - 72 (16.1496)
Containt PLC ADR (2:1) - \$5.15
Countaints PLC 596 (2:1) - \$5.12
Countaints PLC 596 Cum Red 2:rd Ptf £1 - 58.17
Countaints PLC 596 Cum Red 2:rd Ptf £1 - 58.17 66 (17,1698) Jourtaulds PLC 7%% Uns Ln Sik 2000/05 -Courtautis PiC 7½% Uns Ln Six 2000/05 -293½ (71/495) Courtautis Clothing Brands Ld 7½% Cum Prf Six C1 - 75 (1746/6) Coverny Building Society 12½% Perm Inter-ers Bearing Shs £1000 - £125 Crane Europe Ld 5½% Cum Prf Six £1 -52½ (1746/6) Daily Mail & General Trust PLC Ord 50p -£15<sup>1</sup>2 (17Je96) 2012 - 135% Qum Pri S1 - 72 (14.596) Daries Estates PLC 10<sup>1</sup>4 % 1st Mtg Deb Stk 2012 - 135% ф

ns PLC 7½% 2nd Deb S& 91/96 -297 (17Je9 ns PLC 734% Una Ln Stk 2002/07 Ceceminams PLC 74% time in Six 2002 £944.6 Deta PLC 4.2% Cum 1st Pri £1 · 84/2 cora PLC 6.25% Cum Cnv Red Pri 21 -Devrturst PLC Ord 10p - 65 (19Jes6) Disone Group PLC ADR (8:1) - 825.61

Discrite Group PLC ADR (2:1) - 525.91
(19.legs)
Dover Corp Corn Str. \$1 - \$45.4876456
ES Group PLC 59 Clum Prt Str. £1 - 52
(18.legs)
Eccississical insurance Group PLC 13% Deb
Skr. 2018 - \$12419 (14.legs)
Edds PLC Ord 10p - 840 1 50 4 8 60
Bys/Minstackorth PLC Crd 25p - \$7
Emess PLC 8.25p(Net) Crw Curn Red Prt 5p
- 75.468

Emeas PLC 8.2-spyled Chr Curn Red Pri 5p - 75 .46 8
English China Claye PLC ADR (3:1) - \$12.55 (14.1e8)
Enterprise Of PLC 11<sup>5</sup>/<sub>2</sub>% Uns Ln Stk 2016 - C18.34 (17.1e8)
Encasons, MyTelebratolebologet/Ord SK2.5 Ser"B" (Reg) - C14<sup>5</sup>/<sub>2</sub> \$ 2.288 Sk22,752753 149<sup>1</sup>/<sub>2</sub> \$ 5 .6 7 1 9 .91 50 50 .17 <sup>1</sup>/<sub>2</sub> 87 £ 1482<sup>1</sup>/<sub>2</sub>
Euro Disney S.C.A. Ste FR5 (Depository Receipts) - 180 2 5 <sup>1</sup>/<sub>2</sub>
Euro Disney S.C.A. Ste FR5 (Dr) - S2.79 RT14<sup>1</sup>/<sub>2</sub> \$ 5.561 59 .85
Euroutnel PLCEurobunnel SA Units
(Sicovenn Inscribed) - FR8 .45 <sup>1</sup>/<sub>2</sub> .51 .53 .53 .53 .54 .55 Exception Group PLC 11.5% Cum Prf £1 - 11.2 (18Je96)

112 (18.66%)
Exploration Co PLC Ord Six Sp - 385
First Deborture Firence PLC 11.123% Severably Gad Deb Six 2018 - 51193,
First National Sultaing Society 174.5% Perm for Bearing Shx 10000 - 51163, (18.66)
Polysard S Rosester Pkys S H275 Co32%
Gad Prf Six - 50.4 (17.666)
Fisches PLC 55% Unit In Six 2004/09 - 277
Fiere Group PLC Was to auto for Ord - 93 832

Folkes Group PLC Ord 5p - 62 Fortnum & Mason PLC 7% Cum Pri Sak £1 dly Hotels PLC 43/4% Cnv Cum Red Pri A. - ce (19Je96) fencity Hotels PLC 7% Cnv Quri Reg Pri E1 - 93 (19Je96) - 53 (18/e96) GKN PLC ADR (1:1) - \$15.09 (18/e96) GN Gress Nordic Ld She DK100 - DK490¢ 2.2805¢

Prieral Accident PLC 77/8% Cum Ind Pri 51 - 96% 7/8 7 - 95% ½ 7
General Accident PLC 87/% Cum Into Prf £1
- 105/2 ½ 6 ¼
General Bectric Co PLC ADR (1:1) - 55.44
Gibbon Group PLC 796 Cum Criv Red Prf £1
- £1.7 (17.498)
Gibbs & Damby PLC Ord 10p - 90 (14.498)
Global Stock Investments Ld Ptg Red Prf
\$0.07(I/K-Highlincome/Portfolio) - 496.8
(18.498)

(183,686) Southead Group PLC 7% City Curn Red Pri C1 - 75 (183,696) From Universal Stores PLC 5½% Red Unis Ti - 75 (18466)
Great Universal Stores PLC 5½% Red Unis
Ln Sts - 581 (14466)
Greenalis Group PLC 8% Cum Pri £1 - 100
Greenalis Group PLC 81 (2% Deb Sts 2014 - £123.1 (18466)
Greenalis Group PLC 8% find Unis Ln Sts - 284 (17466)
Greenalis Group PLC 9½% find Unis Ln Sts - 284 (17466)

SSS 2 Greenelle Group PLC 7% City Subord Bols 2003 (Reg - C1375; 85; 12 Guirmess PLC AUR 6; 17, 255; 77 HSBC Hidge PLC Ord 5;110 (Hong Kong Reg - 5;13 4; 15;114.9; 5 HSBC Hidge PLC 11,53% Subord Bols 2002 [Reg - C113 45; [Reg - C113 44 Hallian Scotery 8<sup>3</sup>/<sub>4</sub>% Parm Int Bear-ing She ES0000 - E9 Hallian Bidding Scotely 12% Parm Int Bear-ing She E1 (Reg ES0000) - £1234<sub>6</sub> 1<sub>2</sub> (19466) Hambros P.C. Nan Vig £1 - 63 (174666) Hambros P.C. Nan Vig £1 - 63 (174666) Hardys & Hamsoné P.C. Ond Sp - 288 302 (174666)

ys & Hensons PLC 5% 1st Cum Pri E1 & Hansons PLC 6% 2nd Cum Prf 21 15444 Higgs & Hill PLC 7% Cum Pri 21 - 61 (16Je96) (10,000) HENGE PLC ADRIATI - \$11,46 (14,000)

Home Housing Association Ld Zero Con Ln Six 2027 - 400 Sik 2027 - 400 Hong Kong Land Hildps Ld Ond \$0.10 (Jersey Reg) - \$1.35 (17,469) Housing Friance Corporation Ld 11<sup>1</sup>2% Deb Six 2016 - \$1182 (18,469) But PLC 512% Uns Ln Six 2001/06 - £78 On Assistant (14Je96) IS himatayan Fund NV Ord FLO.01 - \$14.48 lookand Group PLC Cnv Cum Red Pri 20p -123 .44 1<sub>2</sub> 4 123 .44 ½ 4

Ringworth,Monts Ld 8½% Cum 2nd Pri Sox S1 - 58 (18Je86)
Industrial Control Services Grp PLCOrd 10p - 128 87 9 ½ 30

Inch Life PLC Ord Into. 10 - 258 8 62 (18Je86)
JF Redgeling Japan Ld Werrants to sub for Ord - 29 30 asy Hogsten - 20.32 (19Je26) Johrson Group Cleaners PLC 7-50 Net) Cou Cum Red Pri 10p - 144 (19Je26) Johrson Group Cleaners PLC 8-3% plot Cum Pri - 38 (17Je26) Jurys Hotel Group PLC Ord Ir20.25 - 277 7 Keleny Industrias PLC 11<sup>1</sup>e76 Cum Pri 21

Ketsey Industries PLC 11<sup>1</sup>4% Cum I 116 (17Je96) Kingfisher PLC ADR (2:1) - \$19<sup>1</sup>2 .7 Korek-Europe Fund Ld SHSDR to Br) \$0,10 (Cpn 8) - \$4125 45125 45172 (18,650) (Namer ASA A Shs NG12.50 - NG2014 (Namer ASA A Shs NG12.50 - NG20 Land Securities PLC 9% 1st Mag Den Stk 96/ 2001 - £1001k Letnam(James) PLC 6% Cum Prf 27 - 88%

azard Select Investment Youst Ld Pag Red Pri 0.1p Global Active Fund - \$182 16.23 (14Je9)
Lazard Selact Investment Trust Ld Ptg Red Ptf 0.1p U.K. Liquad Assets Fund - £10 (14Je99)
Lazard Select Investment Trust Ld Ptg Red Ptf 0.1p U.K. Index Fund - £18,05 18,08 (14Je99) Pri 0.1p U.S. Index Fund - £26.7 26.73 (14.Je96) Lebowis Platinum Mines Ld Ord ROUT - 42

(18,1499) Leeds & Holbeck Building Society 13½% Perm Int Bearing Shis £1000 - £139 Leuts(John)Partnership PLC 5% Curn Pri Sa £1 - 52 Lex Service PLC 612% Cum Prf 21 - 61 Liberty International Hidgs PLC A Cnv Prf 50p - £3.88 Liberty international Hidgs PLC B 6% Cnv Prf \$1 - 98 - 90 ngil PLC 3.5% Cum Pri £7 - 55

Lileshell PLC 3.5% Curn Prf 21 - 55
London International Group PLC ADR (5:1) \$11.5% (14.696)
Lonton PLC ADR (1:1) - \$2.62
Lonton PLC 10½% 1st Mig Dab Six 97/2002
- 2102½ (17.696)
Loolous PLC 3% Criv Curn Red Prf 21 - 107
(18.696)
MEPC PLC 3.65% Curn Prf 8tk £1 - 52½
(17.696)
MEPC PLC 10½% 1st Mig Dab Six 2024 £117.356)
MEPC PLC 6% Lins Lin Six 2000055 - 927 IEPC PLC 8% Uns Ln S& 2000/05 - 597 (18496)
McCarthy & Stone PLC 8.75% Curn Red Prf
2003 £1 - 96 ½ ½ ½

McCarthy & Stone PLC 7% Chr Une Ln Sti
99704 - 556 (18496)
Menders PLC 5% Curn Prf £1 - 55 (17496)

(19466)
Maraton, Thompson & Evershed PLC 7% Uns.
Ln Stir 93/98 - 198 (17.le98)
Medieva PLC ApR (4/1) - 515/9
Medieva PLC ApR (4/1) - 515/9
Medieva PLC ApR (9/1)
Medieva PLC Apr (9/1)
Medieva 99/04 - £78 (18.1696) Methydd Moore PLC 101<sub>2</sub>% 1st Milg Deb Sik 2020 - £1014 (17.1696) Methyd Docks & Harbour Co 65<sub>8</sub>% Red Deb Sik 94/97 - £39 (18.1698)

Marks & Spencer PLC ADR (8:1) - \$44.65

Michard Bank PLC 14% Support Uns Ln Sc 2002-07 - £125-k (14Je\$6) Mad Corporation Com Sha of NPV - £3-k (14Je96) Margan Sindsi PLC S.RESH, Chw Cum Red Pri S1 - 77 (17Je96) Mortand PLC SH Cum Pri S1 - 54 (17Je86) MuckswiA.B. LjGroup PLC 7% Cum Pri S1 -57 77 MuchtowiA& J.(Group PLC 13<sup>1</sup>4\*5 1st Mig Deb Str. 2000/05 - £115 (19Ja96) NFC PLC 7<sup>1</sup>2.55 Chv Bcs 2007((Reg) - £95<sup>1</sup>4

61: 12 % National Westminister Bank PLC 974 Non-Cum Stip Pri Sos "A" til - 1031; National Westminister Bank PLC 127-76. Subcrid Unit Lin St. 2004 - 5122; it 174-96; New Guernary Securities Trest Lot Ord 25p -117 (174-96). NewCastle Building Society 12<sup>2</sup>-76 Perm Interest Bearing Sire £1000 - £1324; 177-4999. ponal PLC 8% 2nd Cum Pri E1 News International - 110 (17Je96) Northchart investments Ld R 0 10 - 10,545 0,545 (19,665) 0.545 (19.1895) Northern Foots PLC 64/15 Chr Subard 8ds 2008 (Reg) - 138 (19.1896) Northern Rock Studeng Society 125/16 Perm Int Bearing She 21000 - 2131/4 Orbis PLC Ord 10g - 47 9 3 to Property Holdrick Ld 85/8 Lins Ln Sk

P & O Property Haldings Lis 8% Lines Lin Six 97/99 - E101 % (134/96) Pactic Gas & Dectric Co She of Com Six 85 - \$22.55 Parkisms Group PLC Ord 25p - 175 80 (19.695)
Parkisms Zochono PLC 10% Cum Pri 51 - 120 123 ball Hogs PLC 5-25% (Net) Cnv Com Non-Vig Pri E1 - 135 w South East 1 d = 1 Vig Pri C1 - 135
Peel South East Ld 84,95 Lins Ld Stx 87/97 - 134 & 1774696)
Peel South East Ld 1076 1st Mitg Deb Stx 2026 - 2934, (18496)
Perinssular & Oriental Steam Nav Co 5% Cum Pid Stx - 233
Perinssular & Oriental Steam Nav Co 5% Cum Pid Stx - 233
Perinssular & Oriental Steam Nav Co 5% Cum Pid Stx - 233
Perinssular & Control Steam Nav Co 5% Cum Cov Red Pri 10p - 95
Petrofora S.A. Ord Stra NPV (Et in Demons 1.5) Tup - 95 Petrosina S.A. Ord Stra NPV (Br in Denore 1,5 & 10) - BF31().132229 9657.5011 70 90

Tantation & General Invs PLC 9% Cnv Uns. Ln Stk 1999 - 594 Ln St. 1999 - 594
Poliphard (C-P) Co Ld Shs \$0.05 (Hong Rogistared) - \$43.163009 - 188114 (19469)
Powel Duthyn PLC 4½ % Cum PH 50p - 26½ (173696)
Ouanto Group Int 8.756/Net) Can/Cum/RedShs of PHd Stk \$0.10 - 187 (183696)
Ouants Most Houses PLC 12% 1st Mitg Deb Sik 2073 - \$107 (193696)
Ouants Most Houses PLC 10½ % 1st Mitg Deb Sik 2020 - 530½
REAHdgs PLC 9% Cum PH 51 - 68 (173696)
RPH Ld 4½% Urs Ln Sik 2004/19 - \$56 RPH Ld 412% Uns Ln Six 2004/09 - 556 I Ld 9% Lins Ln Soi, 99/2004 - £100 : Corporation PLC 3,325% "A" Cum Pri

Racal Bectromes PLC ADR (2:1) - \$94 Recket & Colorer PLC 5% Curn Prt E1 - 55
Read International PLC 49% (Finity 7%) Curn
Prt E1 - 73 1<sub>2</sub> (17Je96)
Regal Hotel Group PLC City Curn Red Prt Regis Property Hecgs PLC 8%% Gtd Lins Ln Six 1997 - 299 (17)(-98) Romson P.C. Chris Sp. - 39
Romson P.C. Chris Sp. - 39
Romson P.C. 11½16 Curn Pri £1 - 1321s‡ 3½

‡ ½‡ [19469]
Rugbly Group P.C. 696 Uns Lin Six 93/96 - 237 (17.1698)
Rugbly Group P.C. 7½1% Uns Lin Six 93/96 - 237½ (17.1696)
Rusself/Horsendon) P.C. 5,75% Curn Chri Plad Del - 1108 Pri - 105

- 67 (17.1695) Scontain & Newcastle PLC 8.425% Curn Pri C1 - 9934 (18.1699) Soottain & Newcastle PLC 7% Cny Curn Pri S1 - 303 4 (19.1695) Sears PLC 4.9% (Fmly 7%) "A" Curn Pri \$1 -

Shell Transport&TradingCo PLC S<sup>1</sup>216 1st Pri(Cumit) - 68 Snoprite Group PLC Ord Sp - 11 <sup>1</sup>2 Signet Group PLC ADR (3:1) - \$1,14 Signet Group PLC ADR (3:1) - \$1,14 Signet Group PLC 7.75% Cum Red Pri 32/97 C1 - 83 scraft 1: 88
Single 8 Friedlander Group P.C 8.5% Che-Subord Urs Lin Stt 2009/14 - \$145
Sistond Busing Society 125/96 Perm int Bearing Shs 21000 - £132/8 (19.696) Smith & Nephew P.C 3.85%(Net) Cum Pri £1 - 63 (19.696) - 63 (18Je96) Smith (W.H.) Group PLC 51<sub>2</sub>% Fled Uns Ln Stk - 254

(F4.646) Sandard Chartered PLC 12% % Subord Uns Ln Ski 2002/07 - E118 % (F7.646) Sterling Industries PLC 1st Pri[5½% CurniE1 - 56 (17.646) Symonds PLC Ont 5p - 80 ½ 1½ 2 ½ 3 THFC (Industrie) Ld 5.65% Indus-Linked Ski 2020(8.9300%) - E113½ (17.646) TSB Group PLC 10%% Subord Ln Sb. 2008 - E112½ 6 7 12-4 (9) 5 Fund Units (1019 to 8/) - \$8400

That Prime Fund Ld Ptg Red Pri 90.01 -1rafaigar House PLC 10<sup>1</sup>4 (18Je96) 2001/08 - 298

PH - 105 Sounsbury(J) PLC AOR (4:1) - \$24 Scholl PLC 8% Gun Red Pd 2001/05 E1 -103 (17.1e98) ichol PLC 54/4 Chv Cum Red Pri 2008/11 ET - 108 (1AJe86) 11 - 108 (1AJe96) Schroder Korse Fund PLC Ord \$0.01 (9r) -\$12 to \$ embeh & Newcastle PLC 4.6% Cum Pri Ci - 67 (17.Je66)

55 Seign PLC 7<sup>1</sup>4% Una Ln Str 92/97 - £101 Seign Phor Crossing PLC 5% Index-Linked Deb Str 2012 (6.702%) - £119<sup>1</sup>4 Shell Transport\$TradingCo PLC Ord 2Sp (6)/(Cpn 196) - \$22 (77)466) Shell Transport\$TradingCo PLC 5<sup>1</sup>2% 1st Bet/2-mill - 68

pringwood PLC Ord 25p - 725 lag Group PLC 11% Cum Prf \$1 - 90 (14,696)

Ue96) are PLC 11.8% 1st Mitg-Dab Sik 2014 -Tare & Lyle PLC 612%;4.55% plus tax cred-ri(Cum Pri S1 - 731<sub>2</sub> 4 (143e96) nfCum Prf S1 - 73<sup>1</sup>2 4 (144695) Tesco PLC ADR (1:1) - \$4.65 (194695) Tesco PLC 4% Uns Deep Disc Un Sik 2006 -

Thiste Holeis PLC 10<sup>1</sup>4% 1st Mg Deb Sik 2014 - £112<sup>1</sup>2 (19Je66) THORN EMI PLC ADR (1;1) - \$28 Total Systems PLC Ord Sp - 31 (184696) Tratigar House PLC 91<sub>2</sub>% Uns Ln Stk 2000/ 05 - 1291/2 (194696) Tratigar House PLC 101<sub>8</sub>% Uns Ln Stk Transport Development Group PLC 94% Uns Ln Six 95/2000 - £100 (17,1698) Fransport Development Group PLC 12<sup>1</sup>2% Uns Ln Sek 2008 - £122<sup>1</sup>4 (18Je98) Inggata PLC Anat viv. Umgata PLC ADR (1:1) - \$6,7 Umlever PLC ADR (4:1) - \$78,54\$ 79\$

Unisys Corp Com Six \$0.01 - \$7 Vaux Group PLC 4<sup>1</sup>2% A Cum Pri Et - S3 (17Je96) Vaux Group PLC 7% Cum Pri Et - 71 Your Group PLC 9.875% Dec Sit 2015 -

£1071<sub>2</sub> (19,1696) Vanz Group PLC 11 ¼ % Deb S& 2010 -£1231<sub>2</sub> (14,1696) Victor's PLC 5% PréNon-CumiS& £1 - 461<sub>2</sub> (18,1999)
Vickers PLC 5% Cum/Tax Free To 30p/Pri
Sts C1 - 68 ane Group PLC ADR(10:11 - \$38%) 64 WEW Group PLC 101; % Cum Red Pri 99/ WEW Group PLC 101-36 Cum Red Pri 99/ 2012 CT - 95 7 Waddington Johns PLC 4.2% Cum Pri ET -07 (171898) Wagen Insustrial Hidge PLC 7.25p (Not) Cro Ptg Pri 10p - 109 Walter (Thomas) PLC Ord 5p - 26 Warburg IS.Q.) Group PLC 75-36 Cum Pri ET - 97 (141899) Wats Pingo & Company She of Com Srk S5 -SS43 (191899) Warred Date Property Corp PLC 9.5% 1st Mig

SC43 (19Je98)
Wordchave Property Corp PLC 9.5% 1st Mitg Dep See 2015 - 199.41 ½ (19Je98)
Whateract PLC 4½% 1st Cum Pri Six 17 55 (17Je98)
Whiteract PLC 74 % Une Ln Six 95/99 - 198/2 8 (19Je98)
Whiteract PLC 74 % Une Ln Six 95/99 - 198/2 8 (19Je98) Whitbread PLC 9% Uns Ln St. 97/2001 -£102<sup>1</sup>2Ф d PLC 1012% Ura Ln Sk 2000/05 oon Group PLC ADR (5.1) -

S1234 Woolcombers Group PLC 8% Cum 2nd Pri St. C1 - 82 ly Xerox Corp Com Stk \$1 - 552 York Waterworks PLC Ord 10p - 343 5 York Waterworks PLC Mon-Vitg "A" Ord 10p - 255 (18,698) Yorkship The "Time" zas (18.1696) 'orkshire-Tyne Teos TV Hidgs PLC Wts to sub for Ord - 930 (19.1698) sub for Ord - 930 (19.498)
Young & Co's Browley PLC 8% Cum Pvf £1 114 (18.498)
Yule Catto & Co PLC 1112% Cum Red Pr7
1998/2003 £1 - 105 (18.498)
Zamba Corsolidated Copper Names Ld\*8\*

Investment Trusts Alliance Trust PLC 4% Pri Stk (Cum) - 6421<sub>2</sub> (141696) Alliance Trust PLC 41, % Pri Stk (Cum) - 646 Call John Stk (14468)
Anglo & Overseas Trust PLC 8.5% Deb Six 2020 - 6941<sub>2</sub>
Babbe Gillord Shiri Napper PLC Vitamanis to sub for Ord 2005 - 42
Banters investment Trust PLC 3.5% Cum Pri Brikers Investment Trust FLC 53 (17.1696) Stik - (53 (17.1696) British Assets Trust PLC "A" 5% Pri

Str(Cum) - ES1 (1-1Je96) ritish Assets Trust PLC Equates Index LES 2005 10c - 188 Smish Empire Sec & General TstPLC1016% Deb St. 2017 - £110 (19Je96) Capital Georing Trust PLG Ord 25p - 590 5 Dunedin Income Growth Pay Tet PLC 31-96 Edinburgh Investment Trust PLC 3.65% Cum Pid Sb. - 554 (17,466) Pinsbury Smaller Co's Trust PLC Zero Div Pri 25p - 224 5/2 Pagnico Commission Pleming Claverhouse Inv Trust PLC 11% Deta Six 2008 - £116 (14Je96)

Flaming For Eastern Bit Triest PLC algra-Cum Prf £1 - 47 (173/c96) Foreign & Col Invest Trust PLG 3.5% (Fine) 5% Cum Pri Sox E1 - 55 (17Je96) Garantero British the & Gron Tell PLCZaro Divi-dend Prf 180 - 135 Garmore Shared Equity Trust PLC Genrec Ord Inc 10p 78 9 HTR Japanese Smaller Co's Trust PLCOrd 25p - 108 12 12 7 7 Haraki investment Trust PLC C She of 25p - 1001<sub>2</sub> 7 (18 mbb) London & St Linkrance Investment PLCOns Sp. - 161 (173/96) MarganGrentelLatinAmerCo's Tst PLCWIs to sub for Ord - 2812 Mustry Income Trust PLC 4.25% Cum Pri Ct 62 4 (17Je90) Murray International Trust PLC 3.9% Carn Pri 11 - 55 New Throgmorton Trust(1983) PLC 12 6% Dep Sik 2008 - \$122<sup>1</sup>2 (14366) Purious French Investment Trust PLCSere
"B" Wienungs to sub for Una - 15 (19,1495)

Rights and bours inv Trust PLC 512% Cum
Per C1 - 78 Scotteth American Investment Co Pt.C4% and Deb Sik - C44% (17,140%) Scatteh Mortgage & Trust PLC 8%-14% Shopped Interest Data Sck 2000 - £148 Second Aliance Trust PLC 412% Cum Pri St. - 146 Second Atlance Trust PLC 41<sub>2</sub>% Deb S8q1950 - 1'48 Shares Smaller Ca's Pt.C Was to Sub for Ord - 40 (18Jo96) TR City of Landon Trust PLC 1014% Dep Six 2020 - £1115 (173696) TR City of London Trust PLG 11<sup>1</sup>2% Dop Sik 2014 - £122 (19Je98)

Updaren investment Co PLC Ord 25p - 70u (14Je96) Nigmore Property Investment Tet PLCWte to Sub-for Ord - 20 (17.Jr@6) Water Investment Co PLC 8% Deb Str 96/99 - 5100/2 (19.696) Witan Investment Co PLC 81:14 Deb St. 2016 - CSB

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Witten Investment Co PLC 61/46 Exch Bds 2006;RegintPrinc C1000) - C116 (19.4-96) Witon investment Co PCG 614% Exch Eds 2008 (Br E Var) - E1 15/2

USM Appendix

Midjand & Scotteh Resources PLC Ord 10p Reflex Croup PLC Ord MED 05 - ED 14 Sterling Publishing Group PLC 6% Criv Cum Red Pri 2000 Ct • 55 (18Je96)

Alternative investment Market Fature Grp 445(19.6)

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### LONDON STOCK EXCHANGE

### MARKET REPORT

# Stocks weaken for fourth consecutive session

By Steve Thompson, UK Stock Market Editor

More evidence of a slowing UK economy, via the latest Confederation of British Industry survey. gave a lift to gilts but failed to trigger any significant action in equities yesterday.

The promised fireworks in the market with the "triple witching" expiry of FT-SE 100 and FT-SE Mid 250 futures and FT-SE 100 index

options, fizzled out quickly. The FT-SE 100 index ended a stock market week, which was badly affected by a series of sporting events, in subdued fashion and down 5.2 on the day at 3,722.3.

The FT-SE Mid 250 index was also depressed, closing the session 9.12 off at 4,440.7. Over the week the 100 index fell 31.3 points, while the Mid 250 retreated 23.9.

Gilts were always in good demand, taking heart from the CBI survey which pointed to subdued output and insignificant price pressure. The survey led dealers to adopt the view that a further reduction in UK interest rates may well be on the cards in the next couple of months, if the economy continues to show evidence of weakness.

The 10-year gilt ended the session 17 ticks ahead and the 20-year gilt was around 25 ticks up on the day. "On the evidence to date it seems

that the chancellor of the exchequer was right to cut rates a couple of

weeks ago," said one marketmaker. Discussing the equity market, the head trader at one of the big European securities houses said he expected the general lack of institutional activity to carry on in the short term; "we've got the football and the test match, we've had Royal Ascot and for the next two weeks the Open golf".

He said the market was in need of a resurgence of bid activity to see it break out of its recent trading range of 3,650 to 3,850 on the FT-SE 100. "We may need to take another look at the bottom of the range before

we can made serious headway." Other dealers took the view that

the utilities areas of the market would provide the impetus needed to provoke a big upturn in equities. This week's knockout blow by Scottish Power in its bid to win control of Southern Water has alerted the market to the potential for more bids in the water and electricity stocks. Southern Electric remains a we've got Wimbledon. After that it's market favourite to attract a US

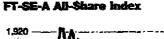
predator. The market has had to absorb a series of liquidity draining events this week, with two big placings and a steady flow of rights issues absorbing institutional funds.

issues, Scottish Power, Cowie and Greene King, will soak up £865m in new money.

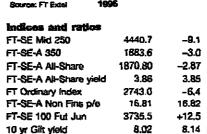
Wall Street's overnight gain failed to promote any enthusiasm for UK stocks at the opening, and again later in the session, when US markets opened in good shape, with the Dow Jones Industrial Average posting a gain of around 20 points during London trading.

Schroders was the best FT-SE 100 performer as the market focused on a BZW upgrade and a big agency cross above the market price just before the close on Thursday.

Turnover reached 779.9m shares, while customer activity on Thurs-







Long glit/equity yld ratio:

# Equity shares traded

| DOO - | u     | .t. |                         |      |
|-------|-------|-----|-------------------------|------|
| 800 · | 111   | dr  | 11                      |      |
| 600 ; |       |     |                         |      |
| 400   |       |     | 1                       |      |
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|       | Apr   |     | М <sub>гу</sub><br>1996 | .hub |

|   | 1990                     |        |
|---|--------------------------|--------|
|   | FT-SE 100 Index          |        |
| 1 | Closing index for Jun 21 | 3722.3 |
| 3 | Change over week         | 31.3   |
| 7 | Jun 20                   | 3727.5 |
| 5 | Jun 19                   | 3753.2 |
| 4 | Jun 18                   | 3756.4 |
| 2 | Jun 17                   | 3781.5 |
| 5 | High*                    | 3767.7 |
|   | i mire                   | 2722 2 |

"Intra-day high and low for week

|  |  |  |   |   |  |   | o date   |
|--|--|--|---|---|--|---|--|
| TRADING  | VO   | LUN  | IE IN   | MAJOR S   | TOC  | KS  |  |
|  | Vel.   | Closing<br>price   | Deyle   |   | Vical.<br>DOOrs  | Closing   | Day's<br>change  |
| ASDA Groupt  | 9,800  | 117%   | -1<br>-2  | Litrade TSB†<br>LASMO†  | 19,800   | 314%  | +2%  |
| 3rt<br>Abbey Nationalt   | 1,200<br>2,100   | 447<br>541<br>474<br>482<br>587<br>744<br>345<br>185<br>586<br>279<br>456%<br>605<br>313<br>325<br>821 | -2<br>+2  | London Elect  | 2,500<br>1,400   | 175%<br>662%  | +171/4   |
| Albert Fisher<br>Alled Domesor   | 333<br>1,800<br>763  | 482  | -5  | Londo<br>Lucas  | 3,400<br>1,900<br>584  | 16114<br>227<br>408   | -1<br>-1   |
| Anglian Waler<br>Argust<br>Argyli Group†                                   | 763<br>672<br>3,400  | 587<br>744   | +4<br>-1  | MEPC<br>MR  | 1.100  |   |  |
| Argyll Group†<br>Ario Wlooins  | 3,400<br>1,100   | 345<br>185   | -3%<br>-2                                       | Lucan<br>MEPC<br>MFI<br>Marks & Spancer†<br>Mercury Asset Man<br>Midlands Elect | 3,500<br>663   |   | +9   |
| Arjo Wiggins<br>Assoc, Bril. Foods;<br>Assoc, Bril. Ports                  | 1.100  | 386<br>270   |   | Michanda Block  | 26   | 973<br>421<br>158<br>187<br>61996<br>174  |  |
| BAAT<br>BAT Inda-†<br>BEA<br>BICC<br>BOC†                                  | 3,400  | 4561 <sub>2</sub>  | -2<br>-1<br>-5%                                 | Morrison (Wm.)<br>NFC<br>Nativest Banky<br>Nettonal Gridt                       | 25<br>370<br>4,500<br>2,000<br>9,900<br>2,100<br>3,600<br>1,800<br>1,300 | 187   | -6<br>+5<br>+16<br>+216  |
| BEA  | 6,000<br>3,800<br>614  | 313  |   | Nettonal Gridt  | 9,900  | 174   | +15<br>+2%   |
| BOCI   | 575  | 92n  | -27<br>-45<br>-27<br>-276<br>-276<br>-276       | Nanct   | 2,100<br>3,600   | 531<br>592<br>571<br>192<br>24316   | +314   |
| BPB Inds.  | 10,100<br>2,500  | 550%<br>315<br>422   | -4<br>-2  | Northern Elect.<br>Northern Foods   | 1,800<br>1,300   | 571<br>192  | +5%<br>+71<br>-72<br>+39<br>-7%<br>-10<br>-2%<br>-7%<br>-7%<br>-11 |
| BSLyOT<br>BT1  | 2,800<br>9,800   | 90114  | +1<br>-2%                                       | Crance  | 28.000   | 243%  | -2   |
| STRY<br>Sank of Scotland   | 9,800<br>14,200<br>1,800                                       | 265%<br>242%   | +16   | Pearson†<br>P & Ot  | 1,200<br>1,900<br>3,500  | 664<br>50314<br>19116   | -2%  |
|  | 3,000  |  |   | Peargent<br>PowerGent<br>Prenter Fernal   | 819  | 472   | -2   |
| Bactayer<br>Basst<br>Bue Circlet<br>Societ<br>Booter<br>Bodaneic           | 3,000<br>1,900<br>2,500  | 819<br>366<br>360<br>580%  | +3<br>+4  | Proviersteat  | 819<br>1,400<br>3,900<br>4,500<br>167<br>3,100                           | 472<br>686<br>407½<br>325%  | -10<br>-214  |
| Socker<br>Booker   | 143<br>1,500   | .390<br>588%   | -16   | REXAM!<br>RMG!  | 4,300<br>167   |   | -616<br>-11  |
| Bit Assertancet  | 235<br>674   | 744<br>876<br>564<br>2508<br>182%<br>429   | _1  | RIZT  | 3,100  | 975<br>300<br>2204<br>626<br>687  |  |
| British Alrewyst<br>British Bloketh  | 4,300  | 564  | -1<br>1<br>-102                                 | Pinitrack   | 1,400<br>8,200   | 22014   | +314   |
| British Gast   | 12 200   | 182%   | -1  | Rasil Cirg.†<br>Recidit & Colmant   | 2,490<br>477<br>1,300<br>990   | 687   | +3%<br>+1<br>-1<br>-1<br>+5<br>-56<br>-1<br>-26                    |
| British Land<br>British Steelf   | 25,000   | 171%   | -1<br>-2<br>-5                                  | Recliench<br>Read hall t  | 1,300<br>980   | 4U2   | -3   |
| Bunzi<br>Burnen Castroli   | 880<br>25,000<br>858<br>232                                    | 1033   |   | Rentoldir<br>Rendorer   | 4,500<br>2,800   | 410<br>760%   | -5<br>-66  |
| Burtont<br>Cable & Wret  | 4,400<br>2,900   | 15714  | +14   | Rolls Royce†<br>Ryl Bk Scotland†<br>Royal Insurance†                            | 3,100<br>1,100   | 228   | -1<br>-5%  |
| Codoury Schweppest<br>Caracion   | 3,700  | 427<br>487 %<br>229<br>511   | -112  | Royal Insurance†  | 1,800<br>1,300<br>383  | 410<br>760%<br>228<br>496%<br>496<br>389<br>1360  | -3   |
| Cartion Comms.1  | 1,400  | 611  | +6  | Seirebuyt<br>Schroderst   | 383  | 1360  | +32  |
| Chubb<br>Coate Viyella   | 232<br>4,400<br>2,900<br>3,700<br>604<br>1,400<br>980<br>1,400 |  | 141414141                                       | Scottish & New.†<br>Scottish Power†<br>Scottish Power†                          | 1,400<br>425   | 100 m   | -1<br>-1%<br>+32<br>-3%<br>+1%<br>-1<br>-2                         |
| Contin. Unlong<br>Compess  | 1,000<br>896   | 176<br>574<br>810  |   | Scottlett Power†  | 2,500<br>10,100  | 311<br>100<br>144<br>557<br>830%<br>918<br>222<br>489<br>213%<br>886%                             | -1<br>-2   |
| Compass<br>Cooksont<br>Counsuidst  | 8.100  |  | 우 기 기 기 등 수 기 기 기 등 수 기 기 기 기 기 기 기 기 기 기       | Sadgwick<br>Severn Trent;   | 1,400<br>935<br>4,200<br>1,700<br>868<br>1,400<br>1,800<br>8,200         | 144   | _4   |
| Delgely<br>De La Rue   | 896<br>639   | 428<br>374<br>595<br>527%  | -1  | Obel Terrenous  | 4,200  | 930%  | -  |
| De La Rue<br>Discret<br>Essi Midlend Elect.                                | 468<br>889   | 595<br>5276  | -4<br>-816                                      | Slebet<br>Slough Ests   | 1,700<br><i>8</i> 68   | 918<br>222  | +1   |
| East Midlend Elect.<br>Flectrocomos  | 969<br>1,900<br>2,200  | 544<br>382<br>280  | +5<br>-7a                                       | Structy<br>Structy Ests<br>Smith (W.H.)<br>Smith & Nephewri<br>Smith Geochemi   | 1,400<br>1,800   | 489<br>213%   | +4<br>+¥<br>+3%  |
| Electrocomps<br>Eng Chine Claye  | 379  | 280<br>462   |   | SmKi Beachers   | 3,200  | 88634   |  |
| Enterprise Out   | 447<br>600   | 105  | -16   | Smiths inde.†<br>Southern Blact†  | 1,500<br>1,200   | 883<br>715<br>685<br>1007<br>542<br>319<br>379<br>158<br>556                                      | +13<br>+9<br>-6  |
| FIG<br>Foreign & Cal. LT.†   | 3,000<br>10,800  | 184%<br>149%   | -%<br>+2%<br>-2<br>-1<br>-1%<br>-5<br>+3%<br>-6 | South West Water<br>Southern Water<br>Standard Charto.?                         | 194<br>2,900<br>5,500<br>565<br>2,800                                    | 1007  | -6 .   |
| Foreign & Col. LT.†<br>Gen. Accident†<br>General Bect.†<br>Glaco Wellcome† | 91B  | 649<br>353%  | -9°   | Standard Charto?  | 5,500<br>505   | 542<br>319  | -5<br>+1   |
| Glaco Wellcomet  | 5,100<br>7,300<br>647  | 860%<br>326  | -11/2   | Storehouse<br>Sun Allianoir†<br>TSN   | 2,300  | 379   | +1<br>-1<br>+2<br>+1   |
| Glytwed<br>Granedat  | 7,100  | 478  | +31/2   | TI Group†   | 1,100  | 555   | +1   |
| Grand Met.†<br>GUS†  | 2,900<br>2,800   | 415%<br>668<br>578   | -6  | Terring<br>Term & Lylet   | 1,400<br>1,100<br>1,900<br>724<br>387                                    | 452   | +1   |
| CDC+   | 2,800  | 576<br>260   | -14   | Tate & Lylet<br>Taylor Woodrow<br>TaleWest Comms                                | 337<br>134   | 157   | -1<br>-16  |
| CIOH   | 2,800<br>2,800<br>4,900<br>555<br>4,300                        | 985  | -1  | Teacot<br>Thomas Weart  | 134<br>7,400<br>635  | 185½<br>302½<br>583   | +9   |
| Guinness†<br>HSBC (75p shs)†   | 3,200  | 4481/4<br>987<br>375   |   | Thom EMIT   | 601  | 1620<br>240%  | -8   |
| Hammerson<br>Hamont  | 128<br>12 800  | 375<br>179%  | +1<br>-134                                      | Tomidas;  | 601<br>5,800<br>506<br>2,000<br>562                                      | 411   | -2<br>+2   |
| Horrisons Crosfield  | 230  | 135<br>455   | <u>-</u> î                                      | Uniterer?   | 2,000  | 1272<br>217%  | -5   |
| Haye<br>Miledown   | 230<br>286<br>2,200<br>211<br>1,400                            | 182  | - 4 4 5 4 4 5 4 7 4 7 4 7 4 7 4 7 7 7 7 7       | Lingues<br>United Biscubs<br>(Art. News & Modis<br>United Lifeties†<br>Vedetant | 4:100<br>843<br>8,300<br>2,700<br>1,800                                  | 722   | 11424666444  |
| Hyder<br>Bill  | 211<br>1,400   | 720<br>363¥  | -2<br>-12%                                      |   | 643<br>2005,8  | 2301/2  |  |
| iCit<br>Inchespe   | 1,500<br>325   | 813<br>292<br>828  | 4   | WPP   | 2,700<br>1,800   | 209<br>254  | +5<br>+8   |
| Johnson Malthey  | 354  | 528  | +1  | Whitenett<br>Willems Hidgs.†<br>Wille, Corroon                                  | 2,100  | 71811 -   | +5<br>+9<br>-111:<br>-14   |
| Kinglisher†<br>Kwak Save   | 2,500<br>72  | 05374<br>458   | -3  | Willia Corroon  | 988  | 154   |  |
| Lactoroley<br>Land Securities†   | 72<br>5,200<br>928<br>289                                      | 185<br>615   | -1  | Wimpey<br>Winteleut   | 988.<br>691<br>625   | 140<br>466  | -1<br>-2   |
| Laporte<br>Legal & General)  | 289<br>831   | 185<br>515<br>580<br>674<br>517  | -4  | Yorkshire Bleck<br>Yorkshire Water  | 1,200<br>172   | 722<br>540<br>230%<br>208<br>208<br>334<br>718%<br>334<br>154<br>146<br>408<br>733<br>662<br>1362 | -1<br>-2<br>+1<br>-6   |
| Libyds Abbey   | 1,500  |  | +6  | Zereca†   | 2,300  |   | -8   |
| Based on wading valence to   | t Spiecio  | gi major s   | acurtier de                                     | et trough de SSG sjelen<br>Santie ST Fried                                      | os Pilito is   | # 4.30pm.   | M  |

3722.3 -0.1 3727.5 3753.2 3758.4 4440.7 -0.2 4449.8 4455.1 4454.7

FT - SE Actuaries Share II

FT-SE 100

FT-SE-A 350

FT-SE-A 350 Higher Yield

31/12/85 682.94 All Other

FT-SE-A 300 Lower result.

The FT-SE Accurates States Indices are calculated by FT-SE Informational Limit The FT-SE Accurates States Indices are calculated in accurate as with a stated Accurates. FT-SE and "Poctale" are implemented in the Landon State, Bachan Set Indices States Indices Indices States Indices Indices

### EQUITY FUTURES AND OPTIONS TRADING Stock index futures ended the week as they began, trading quietly in low volume, in spite of mid-morning volatility as the June contract expired, writes

Jeffrey Brown. The FT-SE 100 Septimber contract stood at 3.717 at the close of pit trading, up one point and just two points above the day's low. The best

of the session was 3,736. Turnover was 10,543 lots, but dealers calculated that

slightly more than half of this represented roll-over ahead of the 10:30 am expiry of the June contract. "In the end, it was another

dull day with premium remaining visibly weak." said one dealer. At the close, September was eight under under cash, or 15 points short of fair value.

Buoyed by the expiry of the June index options, traded options rose to 67,000 lots. Index options accounted for 52,000 lots. British Steel was the most active stock option, trading 5.153 lots.

The UK Series

Liper

III FT-SE 100 INDEX FUTURES (LIFFE) \$25 per full index point 
 Open
 Sati price
 Change
 High
 Low
 Est. vol

 3725.0
 3785.5
 +12.5
 3740.0
 3723.0
 5086

 3722.0
 3718.0
 +1.5
 3738.0
 3718.0
 11988

 3741.0
 +1.5
 0
 0
 Est vol Open int. ■ FT-SE MID 250 INDEX FUTURES (LIFFE) 210 per full index point -7.0 -6.0 # FT-SE 100 BIDEX OPTION (LIFFE) ("3725) £10 per tul index point 

Cage 14,112 Page 23,097 EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point 3675 3625 3675 3725 3775 3825 3875 3625

Jun 160<sup>1</sup><sub>2</sub> 110<sup>1</sup><sub>2</sub> 60<sup>1</sup><sub>2</sub> 10<sup>1</sup><sub>2</sub> 39<sup>1</sup><sub>2</sub> 39<sup>1</sup><sub>2</sub> 89<sup>1</sup><sub>2</sub> 139<sup>1</sup><sub>2</sub> 189<sup>1</sup><sub>2</sub>

Jul 151 9 166<sup>2</sup><sub>2</sub> 16 71 25 41<sup>1</sup><sub>2</sub> 48<sup>1</sup><sub>2</sub> 23 77 7 113<sup>1</sup><sub>2</sub> 2 158 1½ 205<sup>2</sup>

Aug 161<sup>2</sup><sub>2</sub> 23 122<sup>2</sup><sub>2</sub> 24<sup>2</sup><sub>2</sub> 89<sup>1</sup><sub>2</sub> 50 51 71<sup>1</sup><sub>2</sub> 38 98<sup>1</sup><sub>2</sub> 23 132 1½ 171 6 214<sup>1</sup><sub>2</sub>

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# Cellular stocks active

The week's three big rights day was worth £1.77bn.

Cellular stocks were a clear feature yesterday. Securicor fell sharply, and a dramatic tug of sentiment pushed volume in Orange to its highest level since the March flotation.

There was said to be jostling for position at Orange ahead of entry into the FT-SE 100 index on Monday. A two-way pull broke out as some brokers predicted a slack time for the shares once Footsie status is achieved

"Certain funds acquired the stock purely for the Footsie run-up. These have been taking profits, and there has also been switching into Vodafone,"

said one trader. Orange, floated at 205p, ended off 2 at 243%p in turnover of 28m. Vodafone closed all-square at 236%p.

Securicor was hit by investor caution ahead of next week's results statement. The shares fell 9 to 289p as a number of analysts turned increasingly negative on Cellnet, the mobile phones system owned by ecuricor and BT.

Several leading brokers are known to be unhappy with Cellnet's churn rate - the level of subscriber withdrawals relative to rivals such as Voda-

### Schroders strong

Merchant banking group Schroders remained at the top of the Footsie best performers list, as BZW upgraded profit estimates at the group and reiterated its long-term buy stance.

The ordinary shares gained another 32 to 1360p. The nonvoting stock closed 20 ahead at

Analysis raised their current year profits estimate by £13m to £250m and by £10m to £280m for the following year.

Stressing the strong prospects for the company's fund management business, BZW said in a detailed note: "Critical to our favourable longer term assessment of the group is the increasing significance of fund management, which now provides about half of the

### **NEW 52 WEEK HIGHS** AND LOWS

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overall profits.

"Last year, new money represented 14 per cent of opening funds under management. Strong investment performance and favourable markets suggest that a target of 10 per cent is realistic for this year notwithstanding the much larger base."

lowed Thursday's strong advance in Schroders, after a big agency cross trade was done at a substantial premium to the then prevailing market Broker profit downgrades,

BZW's move vesterday fol-

following the news that Atlantic Container Line is switching its service away from the Port of Liverpool, sent Mersey Docks spinning lower. Down 45 at one stage, the shares closed off 26 at 378, a

decline of more than 6 per cent and easily the day's worst FT-SE Mid 250 performance. The company has been troubled by a long-running labour dispute, but the loss of the

ACL service was said to be a

worrying escalation of the

cent, although Liverpool broker Charterhouse Tilney limited the reduction to 23m to £34m.

this year ranged up to 12 per

2.17

2.18

IMI

There was a feeling among some transport analysis that the ACL move might prove

temporary. Freight specialist NFC traded 4.5m shares, adding 5 to 187p, as the company met with analysts and institutions for a

post-results trading update. Railtrack gained 31/2 to 2201/2p following a profits upgrade by UBS. The group is said to be bullish about its scope for cost-savings. UBS has gone up by £5m to £300m for

this year and by £10m to £350m for next year.
British Steel was the most active Footsie stock, trading 25m shares at the end of a week in which the City's polarised views on the stock were brought into sharp focus. The options pits also saw heavy

action. Tuesday's sell note from Nat-West Securities, predicting deep dividend cuts next year, sparked a round of opposing research. Some brokers suggested BS could begin to show some profits recovery

next year. The shares eased to 1711/2p, for a net decline on the week of more than 4 per cent.

A broker profits downgrade led to a 12% slide to 353% at IML UBS was said to have lowered its earnings forecast for the current year. Premier Farnell fell 10 to

666p for a two-day decline of 18. The group warned on Thursday that its volume electronics components distribution business had suffered a slowdown.

Conglomerate Cookson, hit recently by broker profit downgrades as a result of flagging electronic materials demand, was the worst Footsie performer, ending 8 easier at 287p in 9.1m traded.

Shares in Whitbread surrenthat the company is in talks to buy off-licence chain Oddbins, from Canadian group Seagram.

Several analysts suggested the move would be positive for Whithread, with the main benefits coming from merging the buving operations of Oddbins

### **B** CHIEF PRICE CHANGES YESTERDAY

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Securicon Superscape VR 473 cence groups. New issue Jarvis Hotels placed at 175p, moved strongly ahead in trading on a "when issued" basis and touched 193p, before retreating sharply, to

Bid talk continued in the utilities yesterday, helping several stocks move steadily ahead. They included Southern Electric, which earlier this week pulled out of the contest to win control of Southern

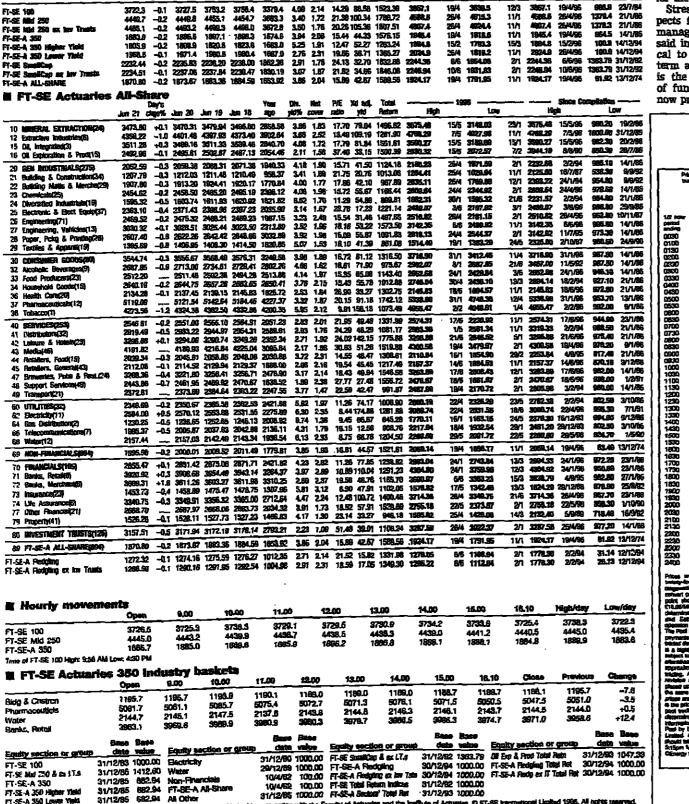
close at 180p. Volume was

Water. Shares in the former put on 13 to 715p, with the bid talk for the company boosted by continued speculation in some quarters that it is likely to launch a share buy-

back. Profit-taking in Southern Water meant its shares ended the day 6 lighter at 1007p, though vague bid talk contin-ued to lift other water stocks such as South West Water, up 9 to 665p and Wessex Water, which also rose 9 to

Dealers suggested a squeeze was responsible for the strong dered 111/2 to 7181/2p, on talk advance recorded in Scotia Holdings. The shares 778p, making it the best performer in the FT-SE Mid 250 index. There was talk of switching into Scotia and out of recent star performer Brit-

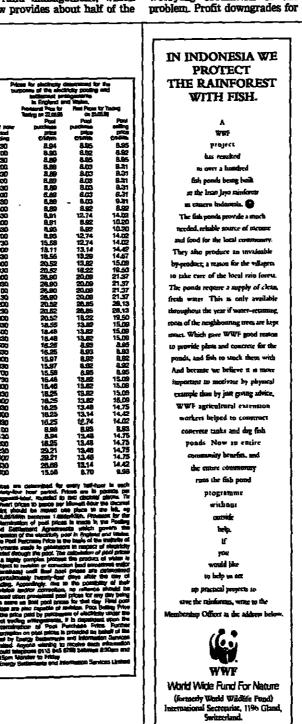
ish Biotech. Shares in British Biotech fell 102 to 2508p, with Robert Fleming said to have turned cau-

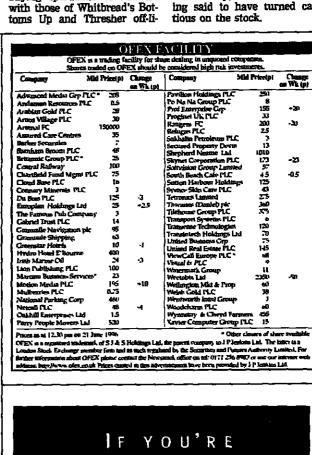


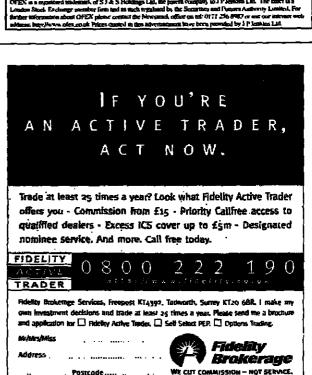
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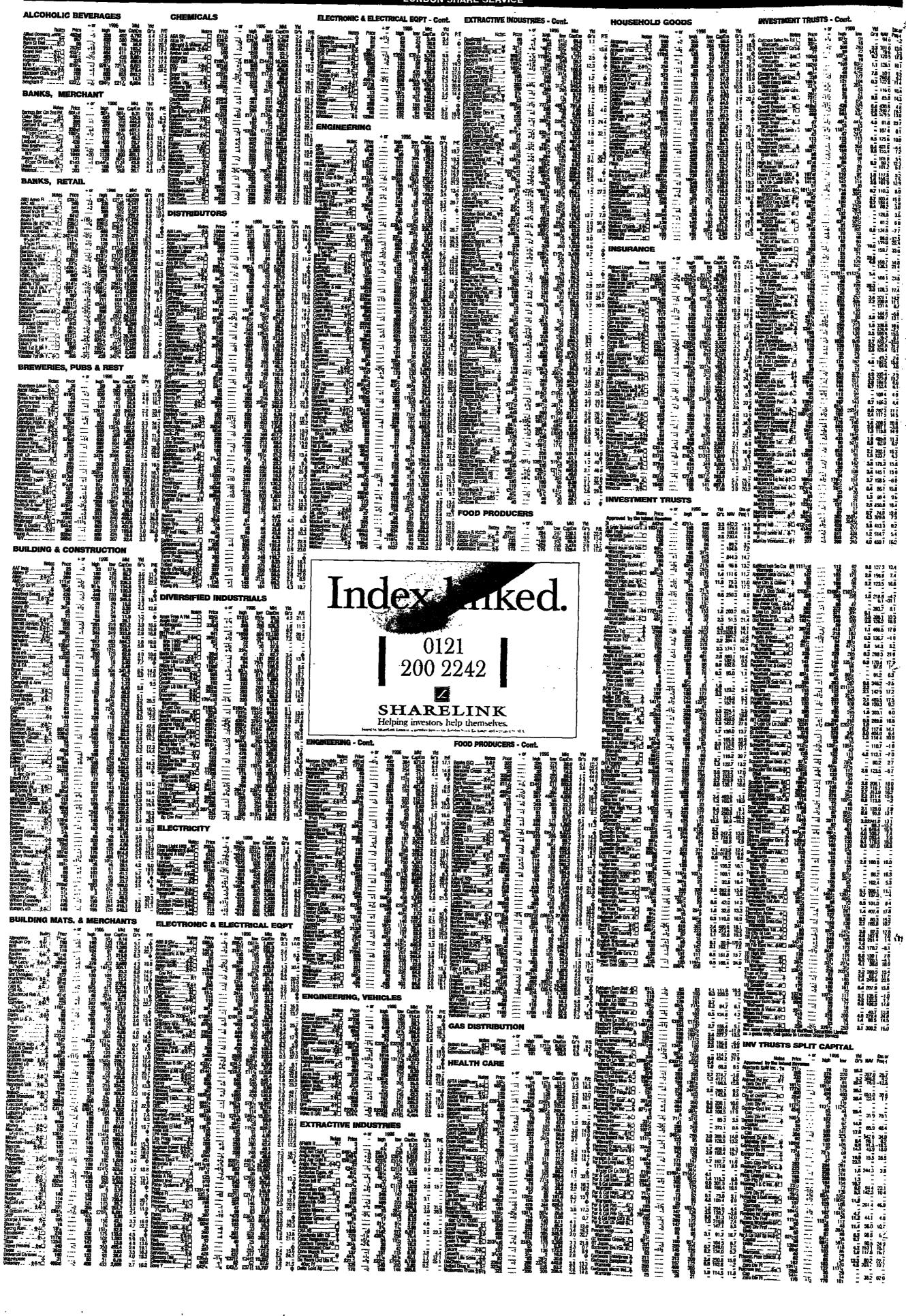




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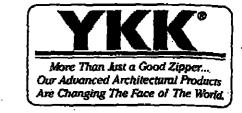
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# FINANCIAL TIMES

Weekend June 22/June 23 1996



BA and American Airlines would control 60% of UK-US flights

# Air deal may face merger probe

By Michael Skapinker, Aerospace Correspondent

The alliance between American Airlines and British Airways suffered a potential setback vesterday when Mr John Bridgeman, director-general of the UK's Office of Fair Trading, said the tie-up amounted to a merger which might have to be investigated by the Monopolies and

Mergers Commission.

Both airlines said they were happy for their proposed alliance to be investigated and would co-operate fully. However, when their deal was announced earlier this month, senior executives indicated they did not expect the

The BA-American tie-up would create the most powerful interna-

California

Continued from Page 1

of operating funds.

rules against

'three strikes'

prison cannot be opened for lack

"three strikers" have been sen-tenced so far - including one man who stole a slice of pizza

and another who shoplifted two

pairs of jeans - prisons have

been swamped by a supplemen

tary ruling obliging judges to

double customary sentences for

second offences. An estimated

18,000 "second-strikers" are

The ruling stems from the case

Although only about 1,700

tional aviation alliance, giving the two carriers a strong hold over traffic between the UK and the US, the world's busiest longhaul route. They would control 60 per cent of UK-US flights and 70 per cent of traffic between London and New York.

The alliance will be investigated by the US Department of Justice, which will advise the Department of Transportation on whether to approve it. Although the European Commission is examining the deal, the OFT said it did not think the alliance fell within European Union merger regulations.

Yesterday's "merger" announcement from the OFT followed a letter from Mr Ian Lang, trade and industry secretary, to Mr Bridgeman asking whether there alliance. Mr Bridgeman said he was discussing the alliance with line's flights to the other's. BA before deciding whether to The two airlines have set up 12 recommend to Mr Lang that it be

referred to the MMC. The OFT described the finding that the alliance amounted to a merger as "unusual" because the two companies were not planning to exchange any equity. How-ever, it said that under the Fair Trading Act a merger could be found to have taken place if the two companies' organisations

became indistinct. American and BA have said they plan to place both companies' flight codes on flights across the Atlantic, regardless of which carrier was operating them. They said they would also

it easier to transfer from one air-

task forces to examine ways of combining a range of operations, including frequent flyer programmes and computer systems. The airlines are expected to argue, however, that they will

their own identities. They will also say the deal is in consumers' interests as it will provide greater convenience. The alliance is expected to be

accompanied by an "open skies" agreement between the UK and the US and the airlines will say that this will result in an increase in competition.

# US Names may be excluded from Lloyd's recovery plan

By Ralph Atkins in London

yesterday it may have to exclude US Names from its recovery plan, which includes a £3.1bn (\$4.7bn) out-of-court settlement offer. Its move highlighted the headaches posed by US legal actions

against the insurance market. The warning came as Lloyd's sent its 34,000 Names worldwide details of how substantial improvements in the recovery plan would affect them individually. A deadline of August 28 has been set for acceptances.

of Mr Jesus Romero, of San Figures released by Lloyd's Diego, whose five previous conrevealed that after funds held on deposit at Lloyd's are taken into account and the £3.1bn offer disvictions included two for burglaries. Over the prosecutor's tributed, just £359m in new objections, superior court Judge William Mudd sentenced Mr money is required from Names. Romero to six years in prison, Lloyd's has reported losses of ruling that 25 years to life would more than £8bn in recent years. Some 23,500 Names - individube a cruel and unusual punishment for his offence - possession als whose assets have tradition-

ally supported Lloyd's - could The state's Supreme Court settle without having to pay any upheld the judge's authority to new money. determine the sentence. The ruling does not affect the 19 other UK, however, Lloyd's has run US states that have some version into serious difficulties with US of the "three-strikes" law. securities regulators which are

A special report on the long Lloyd's of London warned struggle by Lloyd's to secure its future against a back-ground of heavy losses by Names and threats of litigation will appear in the Financial Times on Monday.

> investment in Lloyd's was missold. Lloyd's could probably proceed without US Names - unless assets held in trust to support American business were frozen. Mr Ron Sandler, the market's chief executive, said problems may arise with Equitas, a giant reinsurance company Lloyd's plans to take responsibility for billions of dollars of mainly US asbestos and pollution liabilities. Some in the US argue that Names' interest in Equitas is akin to investing in a security, requiring adherence to onerous

pursuing legal action alleging

Mr Sandler said this "could have a very serious impact on our ability to include all US Names in the settlement offer ... I cannot rule out the possibility that we may not make

local securities laws.

the offer to US Names, either generally or in certain states". If US Names were excluded, they would be treated as if they had rejected the plan - and chased through courts for funds they owed. But Mr Philip Feigin, the Colorado securities regulator who is co-ordinating negotiations with Lloyd's, is in London for talks next week. Lloyd's

expressed optimism about a deal. The improvements in the recovery plan follow a substantial fall in Names' Equitas pre-mium from £1.9bn estimated last May to £859m. The position of 90 per cent of Names has improved since individual estimates were sent to Names in March. About 9 per cent are better off by more than £100,000.

But despite the relatively small amount of money being sought from Names, Lloyd's still needs to win broad support because much of the £3.1bn fund is contingent on legal action for damages being dropped. Lloyd's AGM on July 15 will include a series of votes on financing the offer but the contribution from agents running syndicates at the market has still to be finalised.

# THE LEX COLUMN

Yesterday's Office of Fair Trading decision is much more than a minor spot of turbulence for British Airways plan to tie up with American Airlines. It means the two are now up against regulators on both sides of the Atlantic. And the British authorities could prove particularly tricky: unlike their US equivalents, they cannot be bribed by BA with the offer of an "open

skies" agreement at Heathrow. Of course, the airlines can argue that, whatever the domestic competition concerns, the British national carrier's need for a global alliance matters more. But if Britain's trade secretary means what he says about promoting competition rather than "national champions", this tack looks unpromising. The logic is in any case flimsy: BA could perfectly well opt for a US alliance which involved less overlap and hence fewer competition

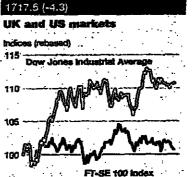
Alternatively, the airlines can claim that competition worries have been overdone. They say, for instance, that much of their 60 per cent share of the London-New York market is part of longer journeys; these passengers could travel via different European cities instead. There is something in this, but not much. The airlines' share of point-to-point London-New York traffic is also around 60 per cent. And for these passengers, the inconve-nience of travelling via other cities

would be considerable. The alliance is unlikely to be blocked altogether, more likely, regu-lators will demand a heavy price for approval. BA and American could have to give up Heathrow slots to other US airlines. Or some routes might have to be excluded from the deal. For the two airlines, there is a reasonable chance that the alliance's formidable potential will still be enough to outweigh the regulatory price. But as this price rises, it could be quite a close call.

### UK stock market

The UK stock market has lost some of its glitter. After rising by 20 per cent last year, the FT-SE 100 index has managed to inch up a mere 1 per cent so far this year. And although other stock markets are also in the doldrums, the UK has underperformed.

The most obvious reason for the stock market's failure to dazzle is bond market weakness. US Treasury yields have been rising, and a US interest rate rise appears to be just around the corner. On top of negative international influences, the gilts mar-



Saurca: F( Eidel

ual disappointment on the size of the public sector borrowing requirement. This, coupled with the latest, possibly rash, cut in UK interest rates, has undermined confidence in the government's management of the economy ahead of the general election. All things considered, it is surprising that rising bond yields have not dragged down UK stock prices with them.

The market's resilience is partly the result of the high level of mergers and acquisitions activity. But the flow of money back into the market as a result of takeovers, special dividends and share buy-backs is increasingly being soaked up by rights issues, pub-lic listings and privatisations. Furthermore, earnings growth this year has been undershooting the City's 10 per cent target, and there has been a spate of broker's downgrades and profits

Given all this, the market is certainly not cheap, at 14 times 1996 earnings, and with equity yields on a par with real yields in the index-linked gilts market. Stretched valuations are easy to overlook in good times but not in bad: when the US market starts to turn, the downward pressure will

### UK house prices

The blaze of publicity about a house price boom is likely to prove self-fulfilling. That is not to say that the economic fundamentals do not point in that direction. The key indicators are certainly positive: low interest rates mean affordability is greater than for the past 20 years and new mortgage lending is at its highest level for four years. Several building societies and banks are now predicting contend with - most notably contin- year - and this time they may finally through to shareholders.

be on target. Of course, one could argue that real house price inflation of around 2 per cent hardly constitutes a boom. By the excessive standards of the 1980s, this is certainly true. Nobody thinks that the sort of price rises seen in those heady days will recur - partly because negative equity has created pent-up supply which is

likely to cap any price rises.

Still, there are signs that a virtuous circle is being created. The simple truth is that if people believe the value of their houses will rise they are far more likely to be minded to buy - and this will push up prices.

Of course, a rise in interest rates could still send a blast of cold air to cool the revival. But with mortgage rates at extremely low levels there is some room for manoeuvre, as long as people do not fear a return to the double digit rates of 1990.

### Blue Circle

It is a brave company that decides to pour lots more capital into a mature market where it is already earning apparently high returns. In fact, Blue Circle's decision to invest £330m in its UK cement business looks far eighted. For a start, the group has recognised that, given the lack of growth in the

UK market - demand for cement is rising at less than I per cent a year the only way to make progress is to reduce costs. Blue Circle has already cut its domestic capacity by 15 per cent and its workforce by 20 per cent since 1992. Now it is switching the emphasis to its asset base: the new plant will have significantly lower operating costs. Nor has the management allowed

itself to be blinded by the improving performance of the UK cement business, which produced a fat-looking 24 per cent return on capital in 1995. Measured on their replacement cost, Blue Circle's old UK plants managed a return on capital of only 5 per cent last year. That is far behind the 12 per cent at the group's US operations and the 22 per cent in Chile. The fact that Blue Circle has said it expects savings of at least 250m from this investment programme - equating to a return of 15 per cent - shows that the UK need not lag behind other markets.

Those improvements should come at very little risk. Market shares in the UK cement business have been stable for years, the technology is proven and both Blue Circle and Rugby, its main rival, are retiring old capacity as they bring on their new plants. That d suggests that, for once, all the benefits

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# EU resolves crisis over beef exports ban

Despite broad support in the

Continued from Page 1

of coceine

consensus in Florence to put science first in dealing with the

The Italian-brokered summit text includes a Commission framework for a lifting of the worldwide ban in stages, subject to the approval of the Commission and two separate commit-tees of scientific advisers.

Mr Malcolm Rifkind, British foreign secretary, said it was "excellent news" that politics had been taken out of the crisis. Other countries such as France, Germany, and Italy would have defended their national interests in the same robust fashion, he

Dehaene, Belgian prime minister. made clear that Britain's noncooperation policy had set a serious precedent. He suggested the EU should take sanctions in future against any country which held EU business hostage.

The EU agreed yesterday to increase aid to Europe's farmers to Ecu850m (\$1.05bn) from Ecu650m in recognition of the damage caused to the beef industry by the British government's admission in the House of Commons last March that there could be a link between BSE - mad cow disease - and its fatal human equivalent, Creutzfeldt-

France and Germany - where

However, Mr Jean-Luc public outrage over the issue remains high - were reluctant to approve the Italian compromise. Their reservations were evident when they refused to accept the language on third country exports in the main summit dec-

> the Italian presidency to issue a political "declaration", which has no legal force. French farmers clashed with police yesterday in a day of countrywide protests to demand

ers facing falling sales.

**FT WEATHER GUIDE** 

laration. Instead, it was left to

Despite the passions raised by the row, KU leaders showed their determination to prevent the issue ruining the sur

# Russian vote

Continued from Page 1

believed to be dangerous for the president because disciplined Communist supporters are thought to be more likely to vote than Mr Yeltsin's own fragile and fragmented support base.

Most political analysts are now predicting a Yeltsin victory in the second round. If he loses, the transition could be complicated by the president's decision yesterday to veto a parlizmentary bill on the transfer of power.

The bill had outlined the procedure for transferring executive authority from one president to his successor and specified how control over nuclear weapons. would be shifted.

# Europe

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# **Europe today**

Russia will separate hot conditions over south-eastern Europe from cooler air to the north-west. In the area near the front heavy rains and thunder are likely. Heavy rain of up to 10 inches will also fall in the Alps. Afternoon temperatures in south-e Europe will range from 26C in Austria to 38C in parts of Romania. Western Europe will remain cloudy with strong breezes from the north-west. The Benefux and northern France will have showers and some thunder. Spain and Greece will be sunny and warm, while Italy will have thunder.

A front stretching from southern France into

Five-day forecast

Over the next few days heavy rain and thunder will move eastwards. Conditions in Germany, the Low Countries and France will improve as high pressure arrives from the west. Central parts of the thunder over Italy. Spain and Greece will be sunny. Scandinavia will stay cool but mostly dry with sunny periods.

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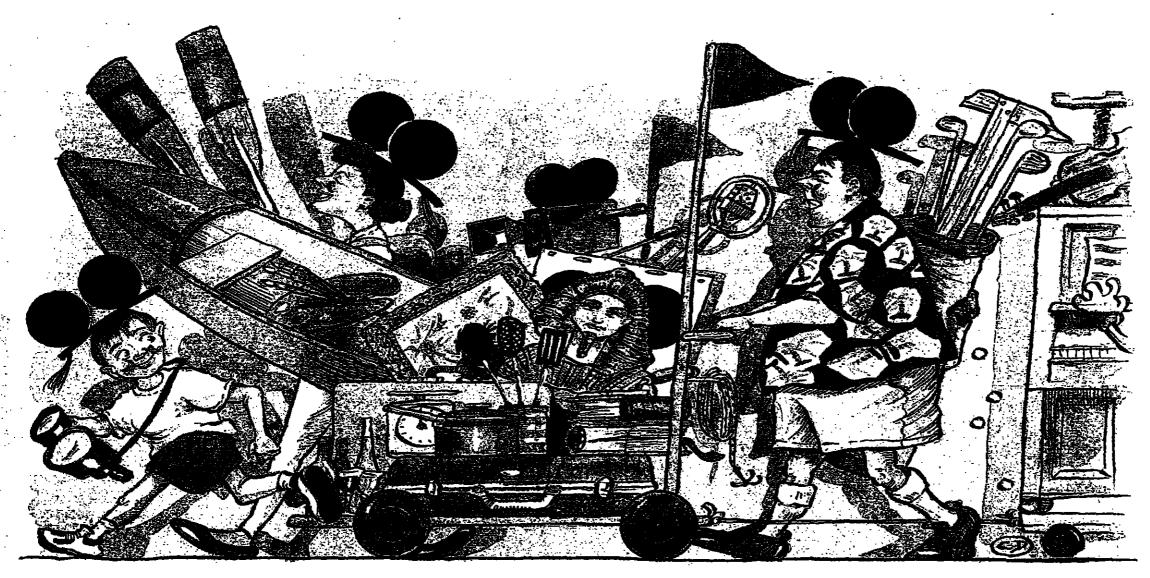








# WeekendFI



# The birth of the leisure ethic

Entertainment specialist Disney is seeking to tap into the trend towards vocational free time, writes Paul Betts

he classroom was full. They formed a mixed-bag: a 20year-old hippy with a beaded beret and a Velasquez beard, four teenagers in T-shirts and brash bermuda shorts, a couple of "third agers" in flowery frocks, two small children and several middle-aged couples in golfing shirts and well-pressed elacks. shining. These students were on holiday, yet they paid abso-

lutely no attention to the fine weather. They had come to Orlando, not to visit Mickey Mouse's Magic Kingdom, but to spend their vacation taking part in self-improvement courses at a holiday campus called the Disney Institute,

which opened earlier this year. These strangely dressed students are part of a worldwide trend in the leisure industry. It is one increasingly combining leisure with industry, taking the oxymoron out of a phrase loosely used to describe what is becoming one of the world's

largest industries. To be able to fiii leisure intelligently is the last product of civilisation," the philosopher Bertrand Russell wrote in The Conquest of Happiness. Travel companies have followed his advice. In just a decade, they have launched an array of

ing holidays. They include themed cruises with lectures, concerts, courses of all kinds, even developing golfing skills on the QE2; archaeology, architecture, art and painting holidays; activity holidays to improve sporting skills or physical challenges ing down rapids or climbing the world's highest peaks; retreats and meditation breaks; special cooking, wine-tasting, ballroom dancing holidays. You name it, it will probably be available.

Ecotourism also continues to attract a growing number of devotees. Many are opting for biodiversity as an excuse to go somewhere exotic but others, says Andrew Mitchell, deputy director of the international science and education foundation. Earthwatch, want to travel in a more caring way to look at wild life and help the environment.

Ecotourism was "super fashionable" in the 1980s when sav-ing the environment suddenly became a big political issue. "It is still an issue which will never go away but it is no longer as much on the boil," he says. However, he explains that while people talked enthu-

Joe Rogaly

packages and specially siastically about saving the designed breaks to feed a growing demand for brain-stretchsomething about it.

In its broadest sense, ecotourism is part of the general trend towards vocational travel and a move away from leisure for leisure's sake. "More and more people are using their leisure time for learning," says Mitchell. No longer content are now going on "intelligent" holidays.

For Christopher Kirker, chairman of Britain's Association of Independent Tour Operators, the day of the Mediterranean beach holiday, which was all the rage in the 1960s, is in terminal decline. It is not simply the fear of skin cancer that has spawned this revolution in how people take their vacations. There are more profound

forces at work. Labour market economists now say that because of automation unemployment will never go down, according to a new study\* on the psychology of leisure by Michael Argyle, emeritus reader in social psychology at Oxford University. This challenges what orthodox economists have called "the lump of labour", the fallacy that there is only so much work to be done in the econIt has been estimated that in the next century all our food and manufacturing needs could be met by an increasingly small minority of the population working - some suggest as little as 10 per cent. Argyle notes the irony of the situation: that it is in leisure industries that most of

No longer content with sun, sea and sand, people are now going on 'intelligent' holidays

the work will be found. "There is no doubt that there will be less work to do in the future," he says. It follows that there is going to be much more leisure. Already, compared with the last century, we have more free time as a result of shorter working hours, longer holidays, early retirement and high rates of unemployment in industrialised societies.

More leisure should create more personal wellbeing. Often, however, it has the opposite effect. Social scientists have suggested that societies will need to develop a leisure ethic to replace, or at least complement, our existing work ethic. The concept is an old one. Social thinkers through the ages have thought that there is more to leisure than pure relaxation, pleasure

purpose of life was the proper use of leisure by self-development through education and contemplation, philosophy, music and sport. In his Utopia Thomas More set aside several hours a day of leisure to be spent reading, playing games like chess, attending lectures, holding conversations and listening to music. The latest vogue for self-im-

provement and self-discovery holidays also seems part of the general reaction to the self-indulgent excesses of the 1980s. "People these days are looking for something more than self-gratification," says Mitchell, whose Earthwatch foundation has seen a sharp increase in volunteers paying to join its environmental and educational

A recent survey quoted in Argyle's book found that people considered the educational benefits of a holiday more

These changes in the attitudes and demands of holidaymakers could not leave the world's largest entertainment company indifferent. With its new Disney Institute in Orlando, the Walt Disney company has created what it calls

'discovery vacation resort" and given big bucks credibility company plans to spread the concept to other parts of its worldwide empire including, perhaps, at Disneyland in Paris or on its cruise ships. The ill-assorted students in the Disney Institute classroom

were learning how to make an

animated film using clay figures (like Britain's Wallace and Gromit) - one of more than 60 activities on offer. Arriving from all over the US, and a few from Europe, they had checked in the night before at the Welcome Centre a large New England-style clapboard building. They were then driven in electric golf carts to their wooden bunga lows or townhouses, scattered around 58 acres of well-kept

gardens and lakes and an 18hole championship golf course. There are swimming pools, a state-of-the- art performance centre housed in another New England-style building, a cin-

important than relaxation or ema, a vast indoor sports and fitness centre, a restaurant and a string of classrooms, television and radio studios, and high-tech kitchens for the institute's culinary programmes equipped with enough cook ware for 125 average kitchens.

In the kitchens, groups of mainly elderly Americans were learning to bake bread and cook spicy Mexican dishes. In hours were spent preparing and filming the Disney Institute television news. Later, it took another four hours to edit the programme under the supervision of TV professionals.

Next door, students were broadcasting live on the institute's own radio network. Else where, visitors were develop ing their golf skills under the supervision of Gary Player's son, Wayne, or working out on the tennis courts. Others were learning to build elaborate

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on Wimbledon Books: Naughty Lola XII, XIII Montez Arts Guide Food & Drink How To Spend R ..

# Dodgy dealers and morality

Transparency and competition constitute an ideal state, which we have not yet reached

ardon us while we smile. The "ethics committee" of the Securities Institute invited me in for a chat this week. A barely suppressed giggle was the proper response. Let me explain. Some of the windows at the FT face across the Thames towards my hosts' offices in London's financial district, the City. In a certain light the buildings across the water look like clifftops, homes to vultures' nests. Their inhabitants fly constantly in and out, gobbets of

our cash in their beaks. About 10,000 of them, not all nesting in the City, belong to the Securities Institute, whose core membership was part of the London Stock Exchange before 1992, when stockbrokers were defenestrated. It currently describes itself as the professional body for individual practitioners in the financial services business. Its ethics committee, the one in whose presence I found myself sitting, has produced a code of good behaviour. Nothing startling about that, although sentence one of paragraph three made me sit un: "A member will avoid con-

flict between his self-interest and the interests of his clients and his employers." You need Woody Allen to deliver such uproarious lines. Was it not he who famously defined a stockbroker as someone who takes your money and invests it until it is all gone?

Let us be serious for a moment. Put securities traders on commission or bonuses, or tie bank managers' remuneration to year-end results, and self-interest reigns. The purpose of trading in anything is to sell as many units as possible and make as good a turn on each deal as you can. This is true whether you are

an estate agent, a second-hand car dealer, a paid commentator, a prostitute, or a purveyor of financial services - listed here in no particular order. But hark! Do we not hear a pious person objecting -"what about professional eth-

ics, then?" Well what about them? They teach ethics at Harvard, and US brokers have been sent to ethics classes, but really there are only rules, boundaries. lines in the sand, steps too far, things you cannot get away with and, at the extreme,

catch you doing that". The purpose of compliance officers, who are ladies and gentlemen implanted within companies to keep their activities legal, is to establish which new financial instrument comes under which of the above definitions. Better yet, they must ensure that every deal is, in the infinitely interpretable official phrase, an example of "best execution". One consequence

"you'll be for the chop if they

of this inbuilt ambiguity is that in some firms the compliance department is expanding more rapidly than the market-ing team. Perhaps the two should merge. Cynical? Possibly. Here are a few drops of soothing oil. Venerable institutions tradi-

tionally regard a reputation for probity, or giving good value for money, as an asset worth nurturing. It adds a competitive edge. Marks and Spencer is such a general retailer, the Prudential, in its best days the M&S of the life insurance business, lost some of its sheen last year when its approach to selling personal pensions came under regulatory scrutiny. There is a moral

to this story, part of the free-

market litany: competition ing to believe that they can will engender more virtue than any ethics committee. It is also true that practitioners vary. Some try to be fair and honest; others leave their consciences at home. This may not matter with intracompany deals. Each principal should be savvy enough to

Labour's spokesman on City matters talks of reducing regulations

look after his or her own interests. Anyhow, there is a modicum of honour among thieves, although this does not prevent hawkers of dud companies from dressing them up in glossy covers, ready for presentations. Nor is it a guarantee against catastrophes such as the current great cop-per disaster. Nothing is. All husiness is risky. Yet private individuals need

protection. It would be charm-

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rely on the sense of ethics of this or that bank, broker, or investment manager, that competition alone will do the trick. Alas, no. Practitioners are hucksters. That is what they were in the supposed good old days when a City gentleman's word was his bond. It is what they are today, and will be tomorrow.

The smoothest are "personal financial advisers". This appellation does not fit when the advice is tied. Used car dealers do not call themselves personal transport advisers. Estate agents do not affect to assess your optimum housing strategy.

You might suspect that the path up which this account is leading you is towards more comprehensive regulation. In earlier days that might have been my instinct, but it is not the Conservatives' nor is it that of the Blairised people's party. Labour's spokesman on City matters talks of reducing the quantity of regulations where possible.

In return, Alastatr Darling suggested in a speech this week, "management must proture". It is also true that the world would be a better place if the sun shone all day, and light rain dribbled down on the garden in the late evening. While awaiting that happy outcome, here is a trick question. Who said "the best form of compliance will come through real competition where consumers can make informed choices"? Hint: it was not a Conservative. It was

Mr Darling again. He repeated

the phrase this very week.

Transparency and competition constitute an ideal state, which we have not vet reached. Meanwhile, Labour proposes to "streamline" the present British structure under which a government-appointed board supervises a sta-ble of professional bodies. As Mr Darling says, self-regulation "is now largely a fiction".

So is the notion that if you are taught ethics and put on commission you will tell prospective buyers that this car is dodgy, that house's roof leaks, or this annuity's value will be halved before you die if inflation returns to earlier levels. It was fun meeting the ethics committee. Perhaps that is why I am still laughing.

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t all started with a throw-away aside from my neigh-

bour. As a footnote to the

. main conversation, she waved

a dismissive hand and said. "Of

course. I don't have any problem

in principle with paying the man

23m a year." I suppose I should

have kept my mouth shut. "Hey!

Two of my other neighbours at

the table turned surprised faces my

way. "Oh, do tell us why," one of

them requested with sinister kind-

ness. I felt the lazers of the market

ideologues training round on me. I

knew from the start I could not

win. I was an alien species with

bad genes. But I felt I ought to die nobly. I lent back and looked wise. "Well, it is all out of proportion.

It subverts any normative moral

judgment about the relative value

of people to the community." They looked perplexed (alien speak and

two incorrect words - "commu-

pay each other are grossly dispro-

The financial rewards you guys

nity" and "moral"). I went on.

That's grotesque," I squawked.

# Gross pay and the underclass

portionate to the rewards we give to other people who are doing equally valuable service to the community. That erodes the warp of human values which holds the fabric of society together. Money is power - it has a huge gravitational pull. It distorts relationships. It

My charming neighbour smiled at me. I am old enough to be her father, and she earns 20 times my stipend. She can afford to be sweet to an old man. "Well, you see," she explained, "It's like this. There is a world shortage of a valuable commodity - say uranium. Lots of people want it. So they bid for it and the highest bidder gets it.

"You can't control the global market. It's like trying to control the tide. You just make it work for you. Financial expertise is a rare commodity. Everyone wants to buy it. You just have to pay what the market demands. It's the only mechanism that can deliver what the world needs."

"Regardless of side-effects?" I asked. "Toxic environment, waste of human lives, political instability, erosion of democracy? You're handing yourself and a permanent underclass over into the control of amoral mechanisms - OK for you. Tough on the underclass and dis-

"Of course there's pain; there's no system without pain. But this is the best system we know for the creation of wealth and its flowdown into the poorer sections of society. You do believe in the creation of wealth, don't you?" "Certainly." (I was ready for that

one.) "But not at any price. Not without a social audit of its effects. The gold mines in the Rand created huge wealth for a ruling elite; but they were the first architects of apartheid to prevent their wealth and power flowing down. The human costs were, and still are, appalling."

Well, I worked in South Africa for five years," said someone up the table, "and it wasn't like that at all." "In any case," said some-one else, "no one needs to be stuck in the underclass these days - at least in this country. Everyone has access to schooling – the open door to opportunity."

bald, bespectacled man. I had taken him for a banker; he turned out to be a deputy head of a primary school in south London. "That's just wishful thinking," he said. "I have 36 kids in my class; 17 from single parent families; six different ethnic groups; three or four dyslexics; four seriously dis-

turbed; eight or nine being abused at home. Not much of an open door there. The market has had 17 years to trickle down to that lot. Not much sign of it yet." The argument spread and diversified. Driving home through comfortable England I tried to sort out all the different voices in my head. Charming, intelligent, thoughtful

people, sharing a recognisable con-

stellation of values now so familiar that you only need to plot two stars to know where all the rest are located.

My own constellation seems to shine largely from some other hemisphere. No doubt it, too, is an instinctive cluster as predictably inevitable as theirs.

But what troubles me is a feeling that we are separated by an almost unbridgeable gulf of sensibility. We feel differently, perhaps as John Prescott and Roy Hattersley feel differently from Tony Blair and Peter Mandelson; or as Kenneth Clarke feels differently from John Redwood

It is not just ideology or political philosophy. It is about where empathy is rooted along the

arteries and in the bones. God knows, I live with a lifestyle which is affluent compared with that of an unemployed family in Moss Side, Greater Manchester. But I live enough and breathe enough in an institution which is in intimate contact with the places where people are really hurting in our society for my instinctive empathy to be with them.

So I have a deep moral uneas that we should cheerfully take it for granted that this system is inevitable (and therefore right) in which one man can earn £3m a year when men, women and children are being physically and psychologically traumatised by the

same system just round the corner. I am not an economist nor a political theorist nor a social scientist. My gut feeling may be wrong. But I do just hope there are out there some men and women who share a different constellation of

■ Hugh Dickinson is the Dean



David Harber: awakening interest in quality sundials made to order

Minding Your Own Business

# A workshop with a bright future

Clive Fewins meets a man who likes to look on the sunny side of life

f his plans come to fruition, sundial maker David Harber's next important clients will be the Perpetual Portfolio Manage ment Grown based at Henley on-Thames, 3 miles from his workshop in converted farm buildings near

the river Thames.
The Perpetual directors have no idea they are in his sights, yet Harber has spent many hours researching the company profile and preparing preliminary designs.
"When I eventually come to make a

presentation to them it will be very detailed and very professional. I am optimistic they will accept," said Har-

The Perpetual example is typical of the unorthodox way Harber conducts business. In the four years since he started The Sundial Workshop he has had several successes following other approaches of this sort.

A notable one was for a company supplying a worldwide economic advisory service that is based at Wargrave, 5 miles from his workshop. "I managed to persuade them that time is a vital element of their business and they gave me a commission," said Harber.

Harber was less successful with the Sun International chain of hotels, but he plans to present his sundials to them again if given the opportunity.
This year, with predicted sales of £40,000, an anticipated profit of £25,000 and his policy of paying himself a don Valley near Henley using my ter of 1994 but survived by continuing minimal salary, Harber believes he is engineering skills and knowledge to plough back profits and pay himfinally on course to create a success-

ful one-man enterprise.
"It is fun doing business this way and a tremendous challenge convincing international institutions that they would benefit from one of my sundials," he said. "I am sure small business advisers would throw up their hands in horror at my methods but I enjoy going off at a tangent and

following my own hunches."

Harber believes his business benefits from what he describes as his "non-focused" approach.
"I went to Dartington Hall School in

Devon. It gave me a freedom to explore non-conventional avenues and I believe it suited me well," he said. "I have always had a strong practical bent and I was allowed to experiment in the workshops there."

After leaving Dartington in 1973, Harber worked as a potter, an apprentice thatcher, a mountaineering instructor and an antiques restorer. For some years he owned a barge that he bought in Rotterdam, converted and equipped in France, and brought back to the UK for use as a hospitality venue and floating arts centre.

In 1990 a failed marriage meant he had to sell the barge, after which he soon became involved in making sun-

"I started making them in the back

garden of my cottage in the Hamble-

engineering skills and knowledge gained from navigating the barge and flying my microlight aircraft," Harber

"Originally, the idea came from my fascination with the shadows cast by poplar trees in the Thames valley as I skimmed above them in my little plane. After some experimentation, and one or two lucky contacts that

Harber produces a mail order flat brass sundial which can have a motto to suit the client

resulted in sales, I realised I had the basis of a serious business that would use my rather diverse skills, suit my

lifestyle and really absorb me." In 1993 Harber rented a small former agricultural building near the hamlet of Aston for £100 a month. By this time turnover had risen from virtually nothing to £8,000, with profits around 50 per cent. His main line at that time was a spherical sundial that sold for £300. Sales were largely by word of mouth.

Harber had a serious dip in the win-

to plough back profits and pay him-self very little. In early 1995 he was persuaded to invest £3,000 in a stand at the Hampton Court Flower Show.

"It resulted in 20 orders ranging in value between £700 and £2,000 and a potential client list of about 200," he said. "I am gradually working through this and the conversion rate has been more than 40 per cent, depending on how much effort I put into the potential sale.

"Although the show will cost me almost as much to attend this year, I am returning this July."

Commissions resulting from the

show included a sundial for Sir Ewen Fergusson, chairman of Coutts Bank, and Gene Fife, former chairman of Goldman Sachs International. "Influential clients such as these

have been impressed by the fact that I have been prepared to work with them on the motto and the design. Harber said. "They are valuable references when I am seeking commissions from large corporate bodies such as Perpetual."

Alongside this speculative approach to gaining commissions Harber has a standard range of crescent sundials, which he sells direct at £200 each. He also produces a mail order flat brass sundial which can have a motto or inscription to suit the client. These are designed by computer and made by a subcontractor in small hatches.

Harber uses two other subcontractors for foundry work, and some engraving and fabricating. When jobs demand a larger space than he has in his workshop he works at their prem-

A more unusual standard product he makes to order is a sundial in the form of a small bronze replica canon, modelled on a style commissioned by Louis XIV, the Sun King, for Versailles. At midday it is fired by the sun. The price is £1.750. "I feel the steady orders these stan-

dard lines generate, alongside what I call my more ambitious quantum leaps, give my business stability," he Harber relies heavily on bought-in

expertise in areas where it is needed. Fortunately I also have an excellent relationship with my subcontractors and a very dependable part-time book-keeper, who also does my mailshots and letters," he said. "I have no head for business but I

am very ambitious. I believe I am awakening peoples' interest in quality sundials made to order, and also that with the millennium approaching there are new markets to be tapped. "I am convinced that after a rather varied career I have found my niche

David Harber. The Sundial Workshop, Lower Culham Farm, Aston, Henley-on-Thames, Oxon RG9 3DP. Tel: 01628-828468.

and I shall stick to it."

Dispatches / Leslie Colitt

# Bowed but not conquered

with an endangered species. Before we even set foot on an Indian reservation, notices of the US Department of the Interior's Bureau of Indian Affairs warned us how

not to conduct ourselves. "Do not wander into residential areas. Do not ask too many questions of residents."

Most of the Indians 1 met in Arizona had menial jobs, although I had heard about a tribe near Phoenix which was rolling in profits from a gambling operation on the reservation. Hopefully, they would fare better than the Indians in Oklahoma who, when oil was discovered many years ago on their reservation, allegedly traded in their Cadillacs for new ones whenever they ran

out of petrol. In a restaurant in Holbrook. Arizona, close to the Navajo reservation, we sat near a tall, ctacled Indian father who was having dinner with his daughter. He spoke softly to her and with remarkable patience. Afterwards he proudly told my wife that his daughter attended a nearby Head Start pre-school. Head Start was one of the few surviving elements of President Johnson's anti-poverty pro-

gramme.

That evening I read a grim account in the Navajo Times newspaper about the nearly 6,000 children on the Navajo reservation who were victims each year of child abuse abandonments, beatings or sexual acts.

On the periphery of the reservation, in Chambers, Arizona, I watched Indians pull up to the petrol station next to our motel in sleek new cars with elongated rear compartments where the family could stretch out on long trips.

Children peered out of the windows as the men pumped petrol and their women bought Cokes and cookies in the general store. One of the Indians, a brawny man in his late 50s, said that he lived from his military pension. "Nothing else except welfare to keep you going here," he said. His I-shirt proclaimed him to be "proud to have served my

We drove north on Route 191 through the heart of the Navajo reservation, the largest in the US. The road was nearly empty and the scenery stupendous. A vast arid landscape punctuated by bizarre, gigantic multi-hued rock formations and canvons. Cattle and horses grazed on the open ranges. We saw riders galloping across the plains as their ancestors had done centuries before.

country as a marine".

"At least they have their land," my wife said. All 65,000 sq km of it are spread over an area nearly the size of West Virginia and populated

t was as if we were being by only 165,000 Navajos. Oil prepared for an encounter, and uranium were found on the reservation after the sec ond world war, creating income which allowed Navajo families to replace their horses and wagons with pick-up

trucks. But the money quickly dried up. A few miles outside Tohatchi, a young man appeared. walking in our direction. Normaily, I would not even have considered picking up a hilch-hiker, but I asked him if he wanted a ride...

My wife moved into the rear seat and he sat stiffly next to me. He was about 20 and, like nearly all the Indians we met was laconic. My wife offered him some cold water which he accepted with a "thanks". When I asked about some buildings at the side of the road he replied: "Boarding school run by Anglo." In Tohatchi, he thanked us and

got out near a settlement a Nowhere could we escape the

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John Regio

But it was the white man who was providing us with the information

unbealed wound left more than 130 years after the white man violently subjugated the Nava jos. Hubbell Trading Post is a National Historic Site on the reservation, 1 mile west of

Ganado on Arizona Route 254. A slide show in the National Park Service visitor centre tells the history of the trading post and of its founder in 1876, John Lorenzo Hubbell He may well have been an "honest, wise and hospitable" trader, as well as a "friend of the Navajos". But it was the white man, and not the Navajos, who was providing us with the informa-

tion.
At the spectacular Canyon de Chelly, the site of a battle between the Anesezi tribe and Spanish soldlers in 1804, signs warn visitors to take precautions against widespread their. Thunderbird Lodge, where we stayed, even advised guests not to leave liquor bottles in their rooms as alcohol is strictly for-

bidden on the reservation. In 1863, the Navajos suffered their final defeat at the hands of Colonel Kit Carson of the US Cavalry. After an enforced "Long Walk" to Fort Sumner. New Mexico, they spent four bitter years in exile before the US government allowed them to return to their new reversa-

Remarkably, of all the Indian tribes, the Navajos never felt themselves to be a conquered people.

our work, there will be nothing

# Disney and the birth of the leisure ethic

sand sculptures or again, in the darkness of a classroom, creating their own cartoon

Continued from Page I

A camaraderie developed between these students of all ages. A woman from the midwest in her late 40s was anxious to improve her culinary skills. She ran a part-time catering business from her home and wanted to pick up some tips while her husband was playing golf. Although the

Chass No 1,133: 1 Be4 (threat 2 Nxc4) Ne5+ 2 Rd3, or Nxd5+ 2 Bd3, or Nxe3+ 2 Nb5.

Disney amusement parks were only half-an-hour's bus drive away, a 10-year-old said he found the institute's programmes "more fun". There is little doubt that the experi-

the times. Richard Hutton, the institute's vice-president, said that one visitor had written to say her life had been changed. He was quick to emphasise, however, that Disney had not invented anything new. "What we have done is to combine a whole range of learning, self-

ment has captured the mood of

activities in one resort, and it is true that there is no place quite like it anywhere else." It all started 11 years ago

when the Disney chairman and chief executive, Michael Eisner, went on a family holiday to the Chautauqua Institution in upstate New York. The institution was established 130 years ago as a school for Protestant Sunday school teachers. "It has grown into a mecca for cultural activities and self-improvement vacations," Hutton

"Michael's wife had worked discovery and entertainment there as a teenager and after

their holiday he was so taken by the place that he left a memo to Frank Wells, the then president of the Walt Disney Company" Eisner wrote that the company should consider building a resort "to enhance the quality of life in a Disney fashion". No one, not even Eisner, knew what life enhancement Disney-style meant, Hutton admitted.

An experienced television programming and production man - he was involved in the production of two award-winning American TV series investigating the roots and nature of

human behaviour – Hutton joined Disney four years ago to develop the philosophy and a set of standards for the new self-discovery resort.

"Because we were Disney we started with the idea that everything had to be fun. At the same time, we decided the activities should have some potential significance to our visitors, something meaningful." he said.

The institute's activities focus on areas familiar to the Disney utopia of wholesome middle-class midwestern American values and entertainment:

animation, film and show business, the environment, sports and fitness. "The idea is to participate and not just take a passive vacation," explained Bob Mervine, another institute executive.

"Although we don't pretend to turn you into a mature animator overnight, we want peo-ple to take away with them an experience or skill, to be able to say they have done something they probably would never have thought of doing."

Disney has discovered that the world is not entirely composed of children. It can no

longer rely on Mickey Mouse and Donald Duck to keep the big money flowing into its corporate coffers. Its new resort fits in with the prevailing trends in the travel industry and the demand for holidays with a purpose from a population with more and more lei-

sure time on its hands. Filling that time will become one of the challenges of life in the next century. The alterna-tive could be frightening. In his much quoted The End of History and the Last Man, Francis Fukuyama warns that when machines take over all

left for us to do but lie in the sun like dogs. Fukuyama's vision of the future is already out of date. We are more likely to be working like dogs - but for fun. . . \* The Social Psychology of Les sure, Michael Argyle, published

by Penguin Books, £299. Seven night packages at the Disney Institute all year rough start at £906 an adult, including scheduled transatiantic flights, airport transfers, full board accommodation at the institute, participation in all institute courses except individual temis and golf lessons. A ant-day theme park pass is also included Connact Bridge Tripe Services, Tel: 01992-456109.

stared glumly at rane et coauille St Jacques rôti. Wine and food do not suit me at lunch time," he said.

This was unfortunate as we were in the middle of a serious lunch at Le Gavroche, one of London's finest restaurants. It was even more unfortunate as the purpose of the five-course extravaganza was to celebrate life's pleasures.

My guest and I were eating for Science. We were proving his thesis, that enjoyment is good for your health. We were also giving a dry run to The Menu of Pleasure, a banquet rich in calorie and cholesterol and featuring red meat, double cream, chocolate and wine.

This menu, which he had drawn up with the great chef Albert Roux, was intended as a declaration of war on the food "experts" who forbid these substances. It was to be presented a few days later to an audience of journalists, doctors, academics and psychologists.

Our dry run took place at the umpleasurable hour of 12 on a hot and sticky day. Warburton was pressed for time as he had to attend a mid-afternoon seminar on trauma at Reading University, where he is director of human psychopharmacology.

When I arrived he was standing on the pavement waiting for the Gavroche to open, an oldish, thinnish man in grey suit and glasses. He had an anxious look.

In the blood red interior we sat at the deserted bar and ordered some mineral water. The waitress evidently thought this a poor show. "Can I give you a glass of champagne?" she asked. I agreed, and after a bit of hesitation so did he.

"The meal itself will be relaxing and unwinding," he announced, as if reading from a textbook. That was good news as the prospect of so much compulsory enjoyment was making me a little on edge. "We've got cross-national surveys showing that nearly 80 per cent of people in Luxem hourg use a meal to relax," he informed me. Really? I said, uncertain what to make of this statistic

Not wanting to get too swept up in random facts, I asked how he had got into the pleasure business.

"Pleasure is undervalued by scientists - medicine has had a disease approach to life. The words happiness and pleasure are almost totally absent from the medical data base. In the stress and only five for plea-sure. I believe people should enjoy their pleasures whatever they are," he declared. That is hard to disagree

with, I said, taking a large swallow of champagne and popping a smoked salmon bonne bouche into my mouth. "People are made to feel guilty if they do not conform," he went on "They have an ideal and if they do not live up to it

they feel guilty, and guilt is a negative emotion." That sounds a bit obvious, I

Unperturbed, he continued: "In Love's Labours Lost, Shakespeare - or whoever wrote it says, 'A light spirit lives long'." He explained that he and his colleagues have put together the chemical evidence to prove Shakespeare right.
His message is one that we are all longing to hear: going

'The other effect of pleasure is as an antidote to stress. A laugh in the office is the best possible thing'

to the gym only does you good if you enjoy it. If you do not, the psychological damage may well outweigh the good that is being done from the exercise itself. The message is even more popular with the food, drink and tobacco industries. Downstairs in the dark base-

ment dining room our table

was laden with wine glasses and a daunting line of heavy cutlery. We were each brought an indecently large slab of foie gras with green peppercorns. It was delicious, as was the Gow-Urztraminer that went with it. plained how pleasure inocuiates you against diseas Apparently, if you have done something enjoyable in the last day or two you are less likely? to get an infection. Likewise an asant event increases the risk of illness. "There is an antibody called immunoglobulin-A and it protects against upper respiratory infections of the nose and throat," he said. "It is present in nasal secre-

fusely. tions. You can measure it. It's very solid. You can freeze it." A detailed account of these

the arrival of the scallop risotto. "Ten minutes after a pleasurable event you can meabody," he said, and to the waiter: "Just a small glass of Chablis, I really just want a

The other effect of pleasure is as an antidote to stress. A laugh in the office is the best possible thing for you, he assured me. Warburton solemnly ex-

plained how pleasure inoculates you against disease. But surely you can't just decide to be happy. You can't enjoy yourself just because David Warburton has told you

"I think you can make resolutions to get more pleasure into your life," he insisted. And what about him, does pleasure come naturally? "No, I think I've changed myself. I made my new year resolution that I'd drink not more wine

but better wine. I'd spend that

extra pound on a bottle. It's a little indulgence." Presently our scallops were taken away and *troin de côte de* boeuf aux échalotes et trésors des bois was brought in instead. Each dish had a silver dome over it, and at the identical moment two waiters lifted the domes revealing three slices of perfect beef under-

But is all this rich food really not bad for you?

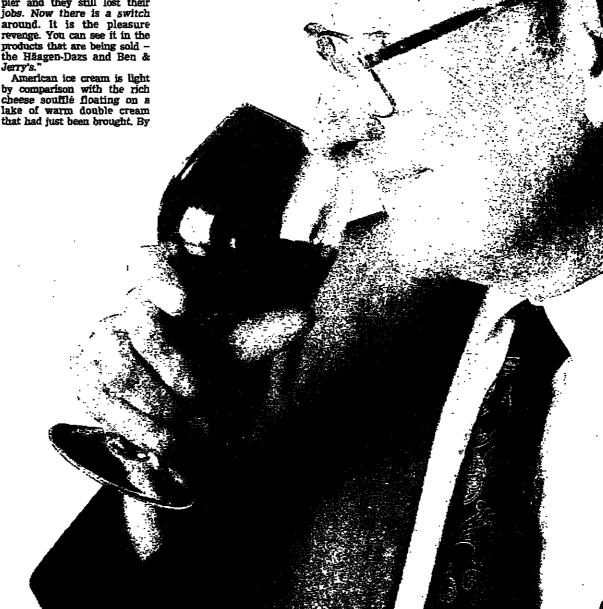
"We are advocates of moderation. If someone is grossly overweight, or consuming 21 units of alcohol a day, then that is too much. We believe in health education, a presentation of a balanced view of the evidence. We are against the new religion, that you must take exercise, eat high fibre, that if you behave in one way then you are a responsible, moral person and shall have salvation."

This meal was not exactly what I would call moderation but I let it pass. Instead I asked rztraminer that went with it. about how the menu had been Warburton solemnly ex- chosen. "We wanted dishes that any reasonably competent cook could make. Come, I said. Could you make this? He claimed that he could. At this point the man who had made it, Michel Roux Jnr, came to our table to ask if we were enjoying his marvellous food. Warburton apologised for sending some back uneaten. and I, thinking the meal was on the house, thanked him pro-

> According to Warburton, public opinion is moving his way. Back in the 1980s people

and they thrashed their bodies but they didn't feel any hap-pier and they still lost their jobs. Now there is a switch around. It is the pleasure revenge. You can see it in the products that are being sold -

American ice cream is light by comparison with the rich cheese souffle floating on a lake of warm double cream that had just been brought. By



David Warburton: he believes that going to the gym only does you good if you enjoy it

despairing. Already uncomfortably full, I was wondering how I could get through the rest of

the meal. I sensed even more anxiety coming from my guest who was very late for his trauma seminar. Presently the halfeaten soufflés were taken away and replaced by no fewer than four chocolate puddings, one hot, one cold, one minty and one with orange, and all deli-

given men and women chocolate to eat in the laboratory and watched how they react. We have found that women find chocolate much more relaxing than men. One in

relaxing at work, whereas only one in five men do." Use chocolate? I don't use it, I eat it.

three women use chocolate for

Once he has ranked pleasure he is going to do the same for guilt, but is already fearful

now we each had four glasses dings he told me about the "In the US they found that of pleasure antibodies from my of half drunk wine in front of research he is doing into the women felt more guilty about nostril just then, I am not sure us, and I was feeling a little hierarchy of pleasure. He has breaking their diet than sleep- how much immunoglobulin-A ing with a married man," he said, shaking his head.

We were brought coffee and petits fours, but neither of us had the heart to touch them. "I think this meal was meant to be on the house?" I said to the waiter, as we prepared to leave. "I'll just check," he said, returning with a little piece of folded paper on a silver dish. It said, £240.

I had eaten the most accomplished meal of my life, but if he would have found.

In his own nose it might have been even more scanty, poor man. Not only did he break his normal midday bread and cheese, and miss his seminar, he was also wracked with guilt over the bill.

The following day he left two messages on my machine, sent a fax and a letter with a cheque for his share. I only hope that two days later he did not come down with a monster



# Betting on a long shot in the Beijing Stakes

John Ridding eschews Royal Ascot and comes up with a tip that China's fledgling horse-racing industry could finish strongly the government's creaking alien to China's socialist system. Around him sat a state of the government's creaking alien to China's socialist system. The government's creaking alien to China's socialist system. The government's creaking alien to China's socialist system. The government's creaking alien to China's socialist system.

he first race at the King of Horses meeting in Beljing brought only a trickle of puniers to the betting kiosks. By the fifth race, it was hard to push through the throngs, and still harder to collect winnings from the solitary, besieged, pay-out window.

Down by the dirt track, the handful of people who watched the shabby steeds on parade grew into a chattering crowd. Bashful at first, the victorious jockeys thrust their arms into the air as they mounted the winners' rostrum and collected prizes worth months of toil in a state factory.

Such a cautions start and strong finish may provide a pointer for China's fledgling horse-racing industry. Betting is still officially illegal. But races, and the euphemistic game of "guessing the winner". are being tolerated as a social and economic experiment in

the country. As in horse-mad Hong Kong. the result may help provide mass entertainment for the country's increasingly affluent populace and supply funds for rich at a speculative stroke, is the King of Horses - and to

For Cheng Chunbo, the stakes are more personal. As founder and head of the Beijing track he has a lot riding on the future of racing in China, as he did on the success of this month's meeting - the biggest so far at the course. Grinning in the stands as

enthusiasm rose around him, he used gestures to explain his expansion plans. To the left be will build a 28-storey club house. To the right is the land he has bought to extend the track from 1,200m to 1,800m. "We are still very small com-pared with Hong Kong," he says. But Cheng, a local business baron, is thinking big.

The challenge, for him and for the score of race courses springing up around China, is to reconcile such ambitions with political sensitivities. Deng Xiaoping, the country's paramount leader, famously decreed that to get rich is glorions. But how to do it is the

difficult part. The underlying attraction of

tem, albeit one under reform. So the industry is on a tight rein, forcing Cheng to manage

a tricky balance.

Presiding over the opening ceremonies for the King of Horses meeting, the jocular racing chief seemed at ease with the task. To loud applause, he handed a cheque for Yn200,000 (£15,400) to the vice-minister of civil affairs, a contribution, he said, to social

The ministerial presence was not the only sign of a tacit nod from officialdom. The calligraphy on the plaque in the entrance, below a leaping sculpture of a golden horse, is signed by Tian Jiyun, vicechairman of China's National People's Congress. On the ground, local police mingled casually with the crowd.

Official acceptance is just part of the challenge facing Cheng. For the moment, the racing venture is supported by his 18 other businesses, from property development to golf. But to pay the prizes - which betting, the chance to strike it exceeded a record Yn300,000 at

he must draw the crowds to the course on the outskirts of Beijing. Judging by the weekend meeting, he is doing

The crowd peaked at more than 5,000 - a respectable figure given the lack of transport

The chance to strike it rich. at one speculative stroke, is alien to China's socialist system

from the capital, save for a solitary bus. Those who made the trip were drawn from a broad

cross-section of the public, but with a bias towards the socially and physically mobile. On the upper floor, where the glitterati sat in air conditioned

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respectful group of men in expensive sports shirts and women in hats. Downstairs, a film actor provided a celebrity centre of attention.

There were also types familiar to the Tattersalls of any British course. Scruffy men dug their hands in their pockets and scrutinised the horses as they cantered towards the starting gate. One, whose T-shirt portrayed Playboy bunny ears sprouting from the head of Lenin, darted repeatedly from the trackside to the betting windows.

The event drew sponsors as well as crowds. Nestle stands supplied free coffee and chocolate drinks. Budweiser advertisements hung from the track railings, where there used to be a banner proclaiming the illegality of betting. A salesgirl in a skin-tight dress sold cans

of the American beer. The workings of the race also strived to emulate foreign techniques. Odds were illuminated on an electronic totalisator board in the middle of the track. But they fluctuated wildly as wagers were placed, with a 66 to 1 rank outsider becoming a 3 to 1 favourite in the blink of an eye. A newspaper with form guides and reports had been halted by the authorities, leaving punters fumbling to select their steeds.

With little form information, size often became a safe bet. Wind Sweeping Cloud dwarfed its rivals as it thundered home in the third race. In the following event, however, the lumbering number nine served as a reminder that size is not everything.

New horses are part of Cheng's plans for the next stage of development. A brochure for the Beiling Jockey Club says that 200 are due be imported from Australia and New Zealand by the end of the

So for the small horses from north-eastern China which at present contest the club's prizes, the competition may be about to become much fiercer.

Computer systems and track maintenance have already been improved, sometimes

Kong Jockey Club. Emphasis is also being placed on improving the quality of the club's jockeys. A message over the loudspeaker explained that in an effort to encourage dietary rigour, the lighter jockey will be deemed the winner in the case of a tie.

The club itself is being targeted as a means of developing revenues. For a special offer price of Yn29,000 Beijing race enthusiasts can buy membership and ownership of a horse, which they also get to name. This is a lot of money, but a snip compared with the HK\$80,000 (£6,700) required to join the Hong Kong Jockey Club, after a two-year wait and with no horse included.

Nearly 60 have signed up so far. To secure more, Cheng must press ahead with building the new clubbouse while, as ever, picking his way through the grey area that surrounds Chinese racing. The

odds are uncertain. But as China develops an appetite for the horses, and as its leaders experiment with reforms, his ambitions are less

# Drew et Mon Droit

ith the publica-tion of the Queen's Birthday Honours last tures is back again with a ven-geance and, as I found out a few weeks ago, the ceremonies, held 22 times a year, offer an intimate glimpse of the British system at its most fascinating. It all starts at 10am as police in overalls examine the cars as

we prepare to pass through the gates of Buckingham Palace. As soon as we step out of the courtyard, my octogenarian architect mother-in-law, Jane Drew - since the New Year's Honours, Dame Commander of the Most Excellent Order of the taken from her daughter Geor-gina, her grandson Luke and her son-in-law, and borne off to the rooms prepared for recipients. (Apparently no one at the palace yet knows Jane Drew is jokingly threatening to take as her armorial motto, "Drew et

Mon Droit".)
As each of the recipients is allowed three friends, hundreds of us are guided up the grand staircase past the impassive cavalrymen in their cui-rasses and white buckskin breeches to the ballroom. There, guards colonels with swords usher us to our places

with a kind phrase. The Earl of Airlie, in morning dress, the elegant white-haired quintessence of chamberlainship, looks in for a last check before the Yeomen of the Guard clump forward. Then follow the quicksilver

It's good that someone is honoured for services to bathroom fittings

officers of the gurkhas. The playing Mozart and Grieg. break into "God Save the

Queep". Drew is second in order of precedence among the recipients giving way only to the head of MI5, Stella Rimington. Dame Commander of the Most Honourable Order of the Bath. On cue, my mother-in-law grasps her stick and walks determinedly into the royal presence for her badge and her star as DBE which are handed to the Prince on a velvet cushion by Major General Sir Simon Coopers, Master of the Household.

Scores follow, but one man stands out, Tall, black, a mountain of a man, gorgeously attired in morning dress with lace choker and long yellow waistcoat. He is obviously a hereditary chieftain from some African corner of the former empire or colonel of some exotic body of Britannia's fighting men – the Cayman Islands Fencibles or the Pitcairn Light Horse.

As the man mountain Lord Chamberlain reads out sonorously: "Detective Sergeant Norwell Roberts, Metropolitan Police." It turns out that the DS 49, a drug buster and hostage negotiator in Golders Green nick, became the first black police officer in Lon-don in 1967. Humbled by our ignorance, we agree that the Queen's Police Medal was never better deserved.

Investitures seem to be full of such items. How good, that her services to the Bathroom Fittings Industry (the palace's capitals) has brought membership of the civil division of the Most Excellent Order of the British Empire to Joan, Mrs Scammell, How heartening, too, that Sylvia, Mrs Rickard is granted similar distinction for her services to the community in Mawnan Smith, Cornwall.

The Prince has a word of congratulation for each recipient. By 12.30 he has bestowed the last MBE to the man from Customs and Excise, awarded the last decoration to the fireman from Lancashire, given the last Polar Medal to a short man in a kilt. "God Save the Queen" again and the Prince departs. The head of MI5 in the black hat with white roses. has vanished. Unrefreshed, we troop back down the grand

staircase. Georgina, Mrs O'Shaughnessy, asks her mother what he said. "Oh, he was very nice," she says. "He asked me to lunch to talk about architec-

ture if I had time."

Hugh O'Shaughnessy



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# Hot blazers for the summertime

Versatile and comfortable, a man's wardrobe is incomplete without this jacket, says Nick Foulkes

espite what imagina tive fashion designers and trend-conscious are few classic items of male clothing. They include the tweed sports jacket, the pin-striped suit, the grey flannel suit, the dark blue suit, the dinner jacket and, of course, the blazer.

Of these, the blazer is arguably

the most versatile. Robert Gieve, of Savile Row tailor and outfitter Gieves & Hawkes, encapsulates its appeal. "My mother brought me up to wear clean socks and clean underwear in case I had an accident and had to go to hospital. Today I would also advise the wearing of a blazer. It meets every eventuality and every aspect of almost anyone's lifestyle," he

says.
With a formal poplin day shirt and a crisp silk tie, the blazer takes on an almost regimental or formal club look; open necked with chinos it looks more relaxed and can even be worn with jeans and a T-shirt.

"The blazer is incredibly comfortable," says Italian designer Nino Cerruti. "It is one of the easiest pieces you can wear, having the advantage of working beautifully with gaberdine pants or blue

It seems that with a blazer it There are blazers from £90 to £900. Even so, I was shocked when I with boater, punt and wind-up unbuttoned A blazer is one of the really is possible to have it both in everything from plain solid worthought about how many blazers I gramophone – if at all; one in navy few items of the male wardrobe way of being right, now it is the comfortable way."

The blazer's popularity has risen as the concept of "Dress Down Friday" has crept into the British

working week.
Holland & Holland has developed lambswool tweed blazers at £345 to wear with cords and moleskins, while the best seller at the Savoy Taylors Guild is a navy four-button, single-breasted blazer which, at £29.50, offers a silhouette favoured by today's youth. "We are finding that we are selling more blazers for Friday wear in the office, when young professional men want to appear smart, but not as formal as they would appear for the rest of the week," says Rowland Gee of the Savoy Taylors Guild.

As well as being comfortable the blazer still underpins such classic events of the English summer calendar as Henley, and is also worn over formal racing clothes during lunch, before morning coats are put

The blazer purchaser is faced with a bewildering range of choice. cool wools. They come in most colours from navy blue to bitter chocolate, and bold stripes.

Then there is the question of the buttons: shiny brass, crested silver, white horn, black resin, even pewter are a few of the materials pressed into service to fasten blazers. But one first has to decide whether it should be double or single breasted. Jeremy Hackett, chairman of the men's outfitters which bears his name, says: "In England the double-breasted blazer is certainly the most popular. The sin-gle-breasted tends to look more American and is bought by younger customers."

If only it were a question of choosing between double- and single-breasted. Aquascutum alone has about 14 different types of blazer available off the peg and many can

be made to order. Going into a gents' outfitters and asking for a blazer is a bit like going into a supermarket and asking for some food. It is impossible to be too rich, too thin or, it seems, to

own too many blazers.

wool from Stamp of Oxford with a sky blue lining; one ultra lightweight one from Brioni with an orange lining; one from Brooks

'It is one of the easiest pieces you can wear, it works beautifully with gaberdine pants or jeans'

Brothers; one from Pierre Cardin, complete with branded buttons and Paisley lining circa 1968; one high buttoning, double-breasted "boating jacket" with five buttons at the cuff; one white, red, blue, white and green striped four-button, single-breasted creation from early this century which should only be worn

ways. As Cerruti gnomically puts it: steds to luxurious cashmeres, bulky own. They include one bespoke doublue flannel three-button, sin- which can be described as an If buying off the peg. try to select a "The blazer used to be the formal flannels to crease-resistant super ble-breasted blazer in navy blue gle-breasted from Hackett; and one investment purchase, and if bought garment with a floating canvas rather decrepit blue double-breasted thing with patch pockets.

I also seem to remember a soft blue flannel blazer with taped edges, a pink one and another liberally accessorised with braid, which looked as if it had been ripped from the back of a White Russian admiral. But these have probably been thrown out or locked into a trunk in the loft for my own

good. Robert Gieve has a less eclectic and more rational approach. "I have got three blazers, a classic double-breasted with our house logo on the button, discreet but nevertheless worth wearing as I am a fifthgeneration Gieve, another double-breasted one with a plain gilt button which I wear in situations where I do not want to be too corporate and a single-breasted which I wear instead of a sports

jacket." In the main, a double-breasted iacket gives a more formal look, but when the temperature rises a single-breasted jacket is more convenient and comfortable to leave sensibly it should never go out of

"A traditional blazer should be double-breasted," says Hackett. "It should button quite high and have a generous width lanel, the six buttons should be brass and the blazer should have side vents."

fashion.

If in doubt it is best to steer clear of overly decorative buttons and breast pocket badges unless you plan to wear your blazer to the appropriate club, regimental or school gatherings. However, as the blazer is a faintly sporting garment discreet touches such as buttons commemorating, say, a blue won at Oxford for golf are bear-

If the style is virtually immortal and unlikely to date it makes sense to buy a blazer which is soundly constructed, hence it is worth spending as much money on it as possible. A bespoke garment is, of course, the perfect solution but with a good West End London tailor relieving you of around £600-£700 and in Savile Row up to about £1,000 for a blazer, this is not

always such a good idea. For a better option, try Hackett and Gieves & Hawkes which offer made to order and special services. chest piece. This means that the blazer will have a better shape and is less likely to collapse or bubble up after a couple of visits to the dry cleaners than its completely fused counterparts.

It is also a good idea to consider the weight of the cloth.

While some of the heavier almost reefer-style blazers are perfect for-Britain, they do not always travel

One of the great joys of the blazer is that it is good for going abroad and can give that much needed air of respectability which is a big help with airline upgrades. Conversely, if a blazer is too light it means that its use is limited to hot countries. The ideal choice is a mid-weight one of about 10-12 ounces.

Finally, if your wardrobe is to include just one blazer make sure it is navy blue. Honey-coloured cashmere may be all very well if one spends a lot of time watching the world go by from the back of a gin palace in Puerto Banus, but it will look odd in the more conservative atmosphere of Bournemouth.

# A real gift of a home delivery

Karen Wheeler on a booming baby business

ost of us reach for a credit card and dial a florist on news of the birth of a friend's offspring: few have the time or inclination to trawl around Hamleys or babywear shops. But those who want to send something a little more original - and useful than flowers, can do sousing an ingenious new service called Baby & Co.

Baby & Co will deliver a gift hamper to anywhere in the UK by the next day. Inside the wicker basket are welcome things for a newborn baby. such as broderie anglaise coat hangers, little hair brush sets, natural products made from aloe vera and camomile, and goodies for the mother too jars of honey, herbal teas and biscuits beautifully packaged in Beatrix Potter tins.

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For example, the bath-time hamper contains bath products, soap dish and a thermometer, while the feeding-time hamper contains a handpainted tray, tumbler and cot-

Alternatively, you can assemble your own hamper from a comprehensive list.
"The only thing missing is something for the new father a bottle of port or some earplugs would come in handy." says Michele Clements, 27, who formed Baby & Co in January this year with a friend, Leanne Gordon, 23.

Clements, mother of 18month-old Josh, was partly inspired by her own experience. "By the time I had received the 10th bunch of flowers after Josh was born, I ran out of vases and had to keep them in the sink," she says. She also points out that many newborn infants are allergic to pollen.

Understandably, some people are nervous about ordering gifts by telephone, but Clements and Gordon (both married to financiers) stress that the hampers are tasteful rather than twee.

"We get many callers, partic-

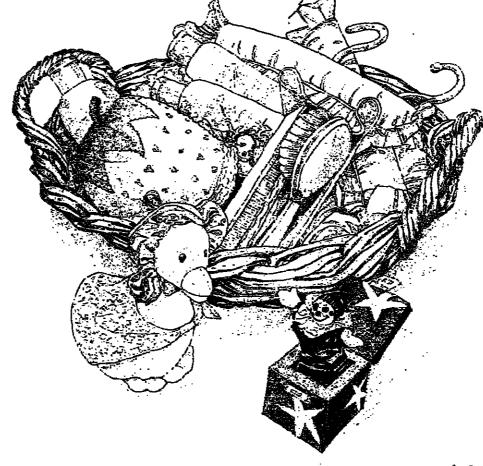
The hampers can be themed. happy to leave it to us," says

With a penchant for Gucci and pretty enough to be mod-els (Gordon previously worked in Vogue's advertising department and Clements did interior design), both have exquisite taste. They set up Baby & Co in January with little more than a computer, a fax machine and £500 worth of stock, working from a back room at Clements' Kensington

To begin with, clients were mostly friends and drawn from the worlds of fashion and finance, but news has spread by word of mouth and business is booming. The only wonder is that somebody did not hit on such a simple idea before.

Ironically, the hampers started as a bread and butter sideline to their nursery equipment service - a similar concept to the Wedding List Company whereby Clements and Cordon co-ordinate an entire nursery for the mother-to-be . with everything from Moses baskets to high chairs. Small overheads mean prices are significantly lower than in the high street and there is no service fee.

In addition to hampers for ularly men, who haven't got a newborns, Baby & Co also does clue what to send and are quite christening and birthday bas-



kets, which can include toy chests hand painted with the child's name. One of the most delightful items is a little red Merry Berries cardigan knitted to resemble a strawberry. which comes with a cute

matching beanie hat topped

with a little green stalk. "A lot of people have also placed standing orders with us because they can't keep up with their god children's birthdays," says Gordon. "We log the date in the diary and then phone up a week before to

remind them that little Emily's birthday is imminent." Prices are very reasonable for such a personal service, ranging from £15 to £250 or more (usually the result of an office collection), excluding delivery. ■ Baby & Co. tel: 0171-373 0574.

Fashion Notebook

# Changes afoot

ince fashion fads usually require a degree of discomfort (witness last year's stiletto heels). it may come as a surprise to find that the shoe of the moment is the squasby, lightweight driving loafer, complete with nonslip nobbles on the soles. For proof of its current fashionable status, look no further than Juseph

(0171-629 4774), which stocks JP Todd's driving shoes alongside its Prada loafers. They come in pale blue. meadow green and neon orange as well as neutrals. Snakeskin has almost sold out (despite its £225 price

tag); camel and black patent leather are also favourites. Joseph reports that an clectic group of people are buying them. Liz Tilberis, editor of style bible, Harper's Bazaar, the Princess of Wales and model Elle Macpherson were all spotted wearing

them earlier this year.

JP Todd's work well with casual clothing - particu-larly flat-fronted, slim trousers. There is, bowever, a drawback - the driving shoe. devised in 1963 for racing types on the Mediterranean social circuit, means exactly that. It is great for leaping in and out of cars and for lounging around in the garden but it is not robust

<u>ئۇرىدىن دىمىنىڭ دىمىنى ن</u>ىسكىدىن

enough for a bracing country walk. And at £149 a pair, f would be foolish to try. ■ Despite the best efforts of designers to make this summer's clothing a jewelleryfree zone, most women have chosen to ignore this spartan edict, opting instead for discreet pieces, such as a jewelled Tiffany cross or some thing in silver from Van Peterson, Pearls, beads and other baubles, however, have remained in jewellery boxes.

There are signs now that this is about to change. In the recent movie, Casino, actress Sharon Stone's eyecatching outfits were all generously accessorised with over-stated jewellery by Bulgari. Meanwhile, in London's Sloane Street, there is an arresting sight in the window of Gianfranco Ferre: a plain white outfit topped with an unmissable, multistranded necklace of scarlet glass beads.

And Fulham Road costume jeweller, Farah Lister, which makes over-sized necklaces and bracelets in pastel coloured, opaque glass beads. says that fashion editors are once again borrowing jewellery for fashion shoots. After minimalism, could this be the first sign of a new "maxi-

Top head hunters stalk the campus for art's sake

At the Royal College of Art, Lucia van der Post finds its graduates with degrees in the avant-garde, the highly inventive and the clearly saleable

half-way through the season of the art college shows. The Royal College of Art has already shown the work of its graduates in fine art, fashion and textiles. Charles Saatchi and gallery scouts have already been and done their spotting - and their

buying.

Those who have missed it can catch up by buying the college catalogue printed by Blue-print which illustrates an proper, are example of the work of every student. If something appeals, remember that the students are keen to turn a penny and themes more than open to commis-

Hot tip for *the* artist to watch is said to be Philip Jones, while on the fashion front Gianni Versace saw the show one Friday, had flown Vanessa Doyle to Milan by the Monday and invited her to join him full-time. From another -Briony Stevens - he bought her mannequin and is interested in other designs.

All this is by way of saying that the work of our students is invigorating and inventive and that if there is work that appeals to such educated and sophisticated eyes as those of Versace and Saatchi, then there is certainly much to interest the rest of us.

Make a note of June 27 when the next tranche of exhibitions opens. This will be a good chance to see the work of ceramicists, glass makers, goldsmiths, jewellers, furniture and graphic designers and illustra-

The natural history illustra-tors rarely get much publicity but this year there are two in particular whose work is worth eeking out. Lauren Dorman has already caught the eye of Christie's wildlife art buyer and no wonder - she works with naturalists and zoologists and regularly visits Africa to draw and study primates. Her drawings - of gorillas, in particular - are haunting and beautiful.

Gerry Turley is fascinated by rare breeds and has created a children's book of much charm focusing on examples such as the British saddleback and Shire horse.

Helen Legg is possibly the most immediately commercial designer among the students who work with glass although she is as creative and inventive as any. She has explored ways of updating the old Venetian technique of Millefiori and has produced some remarkable bowls.

Legg's kaleidoscopes (she is fascinated by prisms and the principles of refraction) are original, while her reworking of the old country house standby of the water jug and glass is contemporary, bold and beautiful.

Look out also for the strong bold forms and deep rich colours of Gareth Williams. Students, as is wholly right and proper, are much interested in contemporary themes and Delyth Done's ceramic pieces are unusually disturbing. A farmer's daughter, whose brother is an embryologist, Done has become increas-

ingly interested in the world of

surrogacy and genetic engi-neering. Her sculptures are of

e are already on lamb's back legs, a pig's half f w a y through the season of the says they are not meant to be a mong the most refined in the show. He has spent a long time studying the ancient Japanese craft, Mokumé Gane.

the usual mix of the highly

wearable, the strangely sur-

Emi Fujita, a Japanese stu-dent, has produced a highly

contemporary version of the

traditional Japanese hair orna-

ment. But she turns it into

something more original by

providing each pair of hair

pins with a richly coloured

glass base in which they are kept when not in use and

which are decorative in their

real and the sculptural.

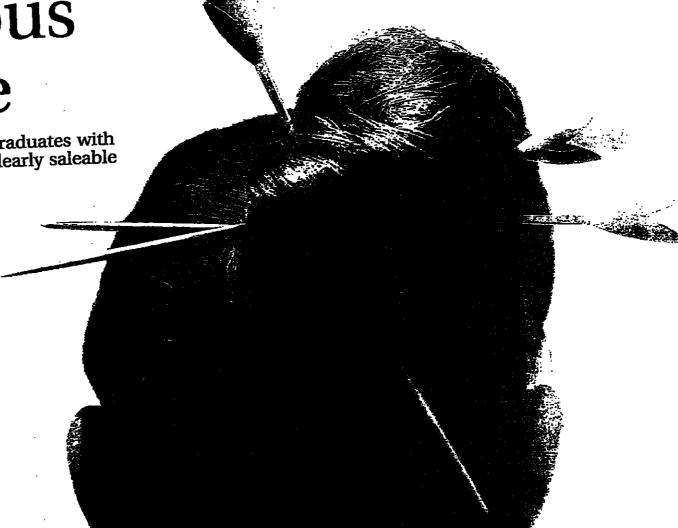
They are naturing but follows says they are not meant to be scary. "My work isn't antifarming," she says, "but it is questioning some of the new methods that modern farming involves." Developed more than 300 years ago, it was used in traditional sword-making and refers to the patterns forged into the blades. It is a difficult and laborious technique and his exqui-In the jewellery and goldsitely refined bowls and vessels have already caught the atten-tion of the Victoria & Albert Students, as is Musem, which has bought right and

some of his work. Cecilia Yau, a young Chinese student, has some extraordinary rings and necklaces made very much into from ready-coloured fishing line nylon. With this material, she makes long flexible rings contemporary that run the full-length of the finger and necklaces which can wound round the neck smithing departments, there is

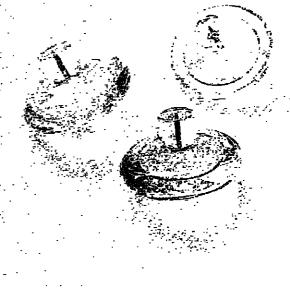
rather like a scarf. As always the show is a mix of the highly inventive, the clearly potentially saleable, and the down-right avant-

There is a wide range of styles here that guarantees something of interest to most people. Entrance to the degree shows is free and they are open from 10am to 8pm on weekdays and from 10am to 6pm at week

■ The Royal College of Art is at

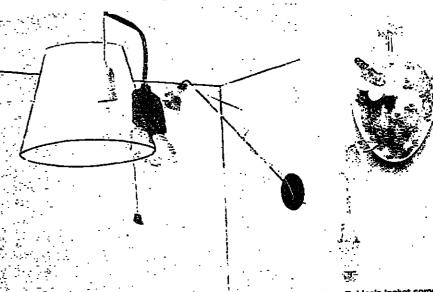








ming: Delyth Done's strange and hau



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Llewellyn Alexander Gallery could well be the place to look. Here are some of the best of the pictures that did not make it on to the Royal Academy

As anybody who has ever read anything about the Royal Academy knows, every year about 14,000 hopefuls submit pieces for the summer show and only 800 end up on the

The Llewellyn Alexander Gallery has for several years offered a sympathetic home and exhibition space to the best 1,200 of the remainder (although this still, by my arithmetic, leaves about 12,000 sad artists with little chance of showing or selling their

work anywhere). Here for those with small(ish) budgets are works for as little £50. Average prices are around £500 and some of the bigger works such as Jon Sayer's mysteriously surrealistic "A graphed here - are priced at about £1,500.

The exhibition runs until September 7 and 6 per cent of the price of each work will go to the NSPCC. The gallery is opposite the Old Vic Theatre, at 124-126 The Cut, Waterloo,

London SE1 8LN. What to do with those hanks of CDs and videos is a recurring problem in the musically minded home. Hi-tech solutions are in some ways the best - they echo and reinforce the hi-technology behind the compact disc revolution and seem as appropriate a way to store them as most.

Nevertheless, not everybody wants a smart bit of metal around the place so a small little company, The Art Works, based near Market Harborough, has developed its own solution. It produces a series of neat columns or plinths which come in two

sizes – the smaller holds 120 CDs or 40 videos, while the large ones hold 160 CDs or 60 videos (or combinations of

Although several examples are on show at any one time at 5-7 The Mews, The George Hotel, Stamford Lincolnshire (tel: 0780-482100) they can be made to order in any colour or finish the customer chooses and can look sleek and modern when they come devoid of the decorative mouldings and painted in matt black. They assume a classic and grand aspect when finished with a marbled paint effect and Grecian Doric flutes, and neo-classically simple when painted in a matt finish with a

simple moulding. Prices range from £325 to £395. They can also be seen and bought at The Courtyard, Loddington Hall, Loddington, Northamptonshire, NN14 1LA.



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# TRAVEL

# A testing time in a corner of paradise

Michael Cassell reports on the fall-out after the ending of nuclear tests in Polynesia's emerald lagoons

he spell was broken on the steaming. uphill road to Haapu. Among the rotting carcasses of fallen coconuts stood an electricity pole bearing a familiar slogan: "No to Nukes."

Familiar, that is, to any street-soured city dweller. But not the sort of thing the unsuspecting traveller, high on the scent of frangipani and the sound of surf, expects to find around the next corner in para-

Rich in cantaloupe, copra and coral, not to mention electricity poles, the tiny island of Huahine is one of many, largely undeveloped, ports of call in the South Seas.

The main town of Fare amounts to a row of clapboard shops and a quay, languishing locals watch their small world go by from the shade of ancient flame trees. Scarred and smelly dogs sniff each other in daisy chains of canine delight, the flesh of their ancestors once likened by ravenous 18th century voyagers to the finest of English lamb.

Political agitation seems as likely as a traffic jam in the land of infectious smiles and tireless ukulele players. The biggest troublemaker in these parts is the "no no", a sand fly with a nasty bite.

However, all is not what it seems in French Polynesia. where Rupert Brooke believed the Creator had "laid himself out to show what he can do". In recent times, man has demonstrated his own, more sinister skills.

Stranded in the south Pacific and covering an area roughly the size of Europe, the 130 islands said to be among the last places on earth settled by humans have for three decades played host to visitors practicng for the apocalypse.

colonisers who followed Captains Wallis and Cook brought beads and guns to exchange for sandalwood and black pearls, their 20th century counterparts offered huge injections of cash. In return, they erected the Centre d'Expérimentation du

lagoons have since been blasted nearly 200 times. Last September, after a three-year pause, the uninhabited atolls of Muroroa and Fangataufa again shook to a series of explosions. One local

Pacifique to test nuclear weap-

ons. Polynesia's emerald

Rich or not, only the most jaded visitor will deny the thrill of swimming with black fin sharks

politician was moved to call them an assault on "our moth-

Ugly, if short-lived, rioting hit Papeete, Tahiti's slightly seedy shrine to tropical materialism 750 miles to the west. The disturbances reflected anger at the French tests but also re-ignited old grudges over lingering colonialism; the local independence movement is winning new support in Polynesia's love-hate relationship with its "European sugar

daddy' President Jacques Chirac ignored international condemnation of the tests until this January when he announced a permanent end to the programme and pledged extra

While the early French development funds over the next 10 years. The doomsday paraphernalia is now being dis-

mantled But if the war games in the most exotic of French overseas territories have stopped, the economic fall-out continues. Tourism. above all, is critical to French Polynesia and tourists do not generally rank nuclear irradiation high on their holiday wish list.

With exquisite bad timing, the French tests coincided with the 50th anniversary of Hiroshima. The all-important Japa-nese tourist market collapsed overnight and the number of visitors from the US and

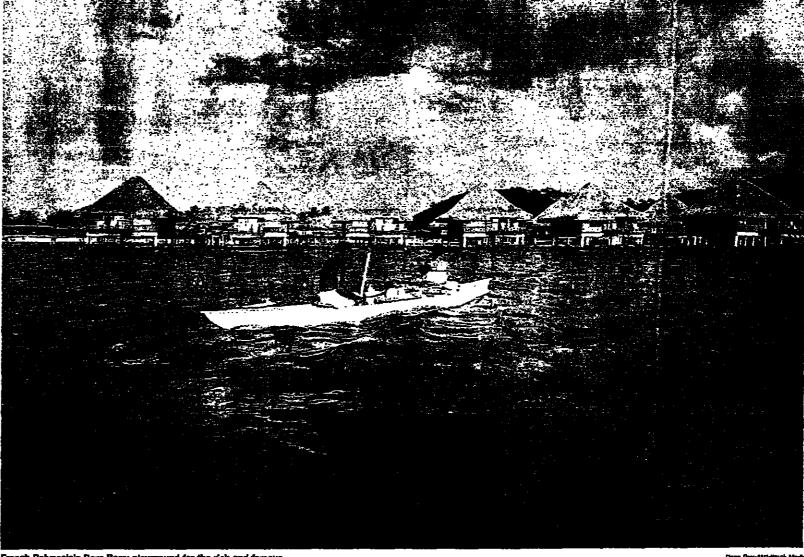
Europe quickly dwindled. "People were offended. Polynesians in particular were hurt by the refusal of the French to respect their wish to see an end to the tests. The riots were uncharacteristic but understandable", says Tom Kurth, an American who made a fortune in industry and then spent it on Huahine. Kurth, who arrived 30 years

ago to study coconut crabs and returned to settle down and adopt 13 children, has built Hana Iti, a somewhat eccentric and utterly isolated hotel on the island's west coast. Extraordinary bungalows hang from cliffs and nestle among tropical fruit trees, offering sublime views across the lagoon to the distant islands of

Kurth acknowledges that paradise - which at Hana Iti can cost more than £500 a night - is under threat, not from bombs but from a change in attitudes among islanders who once wanted for nothing.

Raiatea and Tahaa.

"With fruit from the tree and fish in the sea, there was no crime. But materialism is undeniably making its mark," he warns. Already, the nearby island of Bora Bora, with its



French Polynesia's Bora Bora: playground for the rich and famous

spectacular, multi-hued lagoon and tombstone peaks, is written off by critics as an unfriendly playground for the rich and famous.

With fewer than 500 hotel rooms, claims of rampant commercialism and overcrowding seem as unfair here as anywhere else in Polynesia. Where else in the world can you dip your feet in turquoise waters while your aircraft awaits a few feet away?

The bad news is, in spite of big price cuts to fill empty beds, many hotels in the south Pacific charge some of the world's top prices - beware the £40 bottle of unremarkable Sancerre at sundown. But, in return, they offer comfort, surroundings and experiences capable of living up to most earthly expectations.

The islands, however, are not just for the super-rich. There is a wide choice of clean but basic family-run pensions, largely frequented by snorkelling, scuba-diving water babies, Rich or not, only the most jaded visitor will deny the

thrill of swimming with black fin sharks, playing tag with baby turtles or stroking the velvet chin of a mesmerised leopard ray. Alternatively, humans can provide endless entertainment for boisterous dolphins or they can drift snorkel with majestic manta ray between the coral cliffs off Rangiroa, the necklace of skinny islets 200 miles from

the world's largest aquariums. In the early evening, bar staff at Rangiroa's Kia Ora Village, a relaxed but stylish

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Tahiti which encloses one of

hotel, are kept busy with requests for freshly cut pieces of lime to rub into limbs lacerated by coral. Wild hibiscus leaves, it seems, clear foggy goggles just as efficiently as spittle.

Outside, another tropical day draws to a close. Outrigger canoes sprint across silent water under a lilac sky while land crabs looking for night-life leave tracks like so many mountain bikes across a cooling beach.

Rangiroa, like most of the islands, caters for its small number of tourists for a few days only, French Polynesia being the ultimate two or three centre holiday destination. Having adjusted their time

clocks in Tahiti, visitors may head for one of several island destinations on Polynesia's five

main archipelagos or take a catamaran cruise, mooring at night under an inverted half moon to watch crocodile nee-

Most islanders still appear happy to welcome visitors, and are quick to offer a lift in the back of an over-crowded truck or make room for uncertain strangers in Sunday morning church alongside matriarchs and marijuana dealers.

dle fish part phosphorescent

Perhaps they have little choice. If they are no longer content to live off what paradise offers, there is little beyond tourism to sustain them apart from the copra shipped off in trading schooners and the pricey black pearls fattening up in underwater farms.

The Polynesian authorities

are alive to the dangers of over-development but are

equally aware of the need to exploit sensibly the treasures they have. Already, Tahiti bas paid a heavy price as gateway to the islands, with its hustless and dive bars and advice to tourists not to wander the streets at night. Even in the remote centres, coral roads have given way to tarmacadam and palm thatch to tin.

It will not be easy to strike and maintain a responsible balance, given the temptations on offer in the Garden of Eden. But, for now, Polynesia still provides a blissful antidote to the nuclear age which has invaded its outer reaches. Michael Cassell trovelled with Air France as a auest of Air France Holidays (UK reservations 0181-742 3377).

Jack

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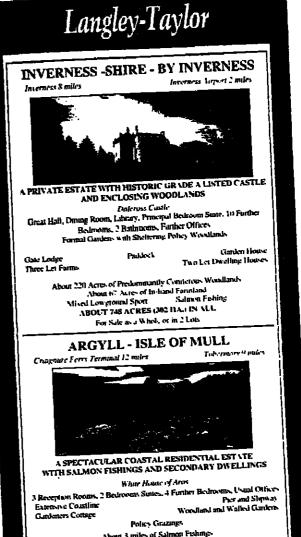
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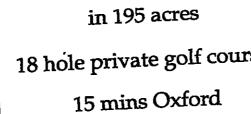
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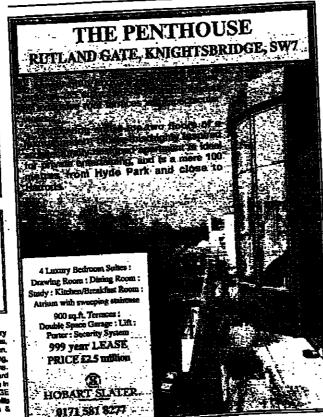
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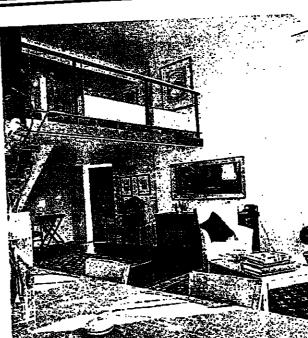
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# PROPERTY





# Why the country market is hotting up

Farming profits, says Gerald Cadogan, are a big factor in driving up prices for arable estates

his year the market in country estates is red hot, says Willie Gething of Property Vision. "I say this as a buying agent, not someone trying to sell." Estate agents agree. "It has nothing to do with the general property market of the Halifax and Nation-wide indices." Gething adds, although that is at last rising.

One example is a working estate bought recently by Property Vision for a client for £6m. "Within 24 hours we had been offered a £1.5m profit," he says, which the client declined. Wilbury Park in Wiltshire, between Salisbury and Andover. was marketed in early May, with Clegg Kennedy Drew and Strutt & Parker asking for offers of more than £5m. It has been sold to a UK buyer for, reportedly, just over £7m.

It is almost certainly the first Palladian house in England, based on Andrea Palladio's Pojana Maggiore, with influence from Inigo Jones - a good Palladianist - detectable in the south front

Inside, it is rich in ornate plasterwork and coffered ceilings. It also has a working estate of 874 acres. including three lodges, six cottages and a farmhouse.

Property Vision looked at Wilbury for a client, but the final purchaser (for whom agent Savills acted) beat the competition hollow. Gething had in fact "turned it down

for our client". He said: "It is only half a mile from the main runway of Boscombe Down. RAF jets scream overhead - and the runway is due to be extended." He believed the original £5m ask-

ing price was "about right". During the 400-plus years since landowners started to build large country houses rather than castles, nothing has changed.

Country houses used to be a way of converting agricultural rents and sometimes mining profits -into an elegant, comfortable life for a few in a house that was too large for most people's needs. The contrast is stark at Penrhyn Castle in north Wales, an enormous Victorian house built on the profits of the nearby slate quarry.

Along with bonuses and realised stock options, rollover money fuels the 1996 market. Rollover buyers are those looking to reinvest the proceeds of selling a business into another business, namely farming, That should avoid CGT and, provided the size of the trophy house is not out of proportion to the amount of land under farming. eventually lead to 100 per cent IHT

Looking at these long-lasting tax advantages, Gething is not sur-prised that someone should pay such a premium for Wilbury. In the end "he will be no worse off", he judges. "But there is no competing the arable area aid payments of the



The Comenden Manor Estate, Sissinghurst, Kent: for which Lane Fox and Lloyd Martin ask £950,000

with that sort of money", especially when the buyer still has to pay a tidy sum for redecoration.

The likely change of government to Labour has already been discounted, he says. He has two estate buyers on his books from North America who still see Britain as "a friendly place to have some money

Profits from farming are a big factor in driving up prices, especially for arable estates which can show a profit of £150 to £175 an acre, and sometimes much more, thanks to European Union's Common Agricultural Policy.

How long can the bonanza in profits – and farmland prices – last? Richard Denny of Cluttons
compares the farmland boom with

Savills. "It is a very strong market.

If they find the house they want last? Richard Denny of Cluttons the 1988-89 house market. "It has to stop sometime. But when?" It probably has some way to run, at least until after the next review of the CAP, perhaps longer depending on the rate of the pound against the ecu. About \$2,500 an acre is a regular price now for land, and the best goes for more. Shortage of estates for sale is

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pay more to get it." The rising value of London prop-

erty also affects the estates market, and that for old rectories and large farmhouses. People in Kensington, who decide to move out as the children grow up, still find that their London pounds go far towards buying something big in the country.

LONDON PROPERTY

another reason for prices rising. Few are advertised. "In this small

market, 10 new players have a sig-

nificant effect," says Bertie Ross of

and can't have it, they are ready to

Two estates are for sale in the Chilterns with plenty of woodland. HW Dean and Savills asks for £3.2m to £3.4m for Elvendon Priory with 752 acres near Goring with a famous pheasant shoot; and Cluttons, £3m for nearby Turville Court with 611 acres and its shoot.

"It is pitched at a fairly high price," says Denny, but it is a Rolls-Royce area where a high price

is the norm." New on the market, and ideal for rollover relief buyers who are serious about becoming farmers, is West Lexham Hall, near Swaffham, in Norfolk, with 1,064 acres of high quality land, of which 851 qualify for arable area aid payments.

It also brings water abstraction licences for 45m gallons and a first-rate commercial shoot, two farmhouses, nine cottages, 16 loose boxes and gardens running down to a most. Potatoes, carrots and sugar beet grow well. Knight Frank is seeking more than £4m.

An attractive 19th century late-Georgian house with 131 acres is Comenden Manor near Sissinghurst in Kent. Lane Fox and Lloyd Martin are asking £950,000 - just right for our Kensington banker.

In Devon, Whiteway is a grade II\* Georgian brick house near Exeter with 940 acres, about two-thirds let to the Forestry Commission. Shooting and stalking rights have been retained. Clegg Kennedy Drew and Strutt & Parker in Exeter want

more than £1.5m. In Scotland, Glenfintaig on Loch Lochy at Spean Bridge in Invernessshire, is for sale at more than £1.25m (from Strutt & Parker in Edinburgh) for 2,133 acres offering farming, fishing, rough shooting

and deer stalking.

An estate best suited for corporate use, with 46 bedroom suites, seven state rooms, golf course, clubhouse, conference centre and 543 acres, is Brocket Hall in Hertfordshire. KF and S&P in London asks for expressions of interest by July

 suggesting a guide price of £15m.
 The grade I house, by the great James Paine, is rich in racy stories. down to modern times. Finally, new on the market this

week is Longwood near Winchester. a lovely property with 1.378 acres, and an old park and gardens, but the big house was pulled down after the second world war. There is room to put up another. Savilis asks for offers of more than £5m. ■ Clegg Kennedy Drew, London

(0171-409 1904): Cluttons, Oxford (01865-246611): HW Dean, Cambridge (01223-351421); Knight Frank, Landon (0171-629 8171); Lane Fox, Sevenoaks (01732-459900); Lloyd Martin. Cranbrook (01580-712500); Savills, London (0171-499 8644): Strutt & Parker, Edinburgh (0131-226 2500), Exeter (01392-413507) and London (0171-629 7282).

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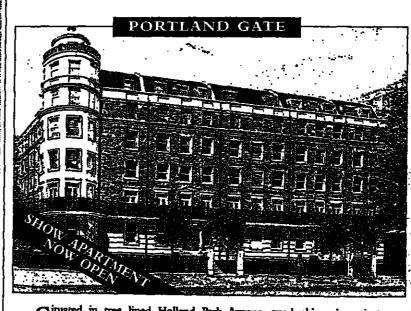
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# French Property Feature

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# **OUTDOORS**

Gardening

# Peak weeks to smell the roses

Robin Lane Fox discovers those places featuring the best displays of the season

ometimes, we are allowed a foretaste of paradise in order to keep us striving to attain it. Last Saturday, gardeners had the perfect day. The breeze softened a cloudless sky, the paeonies were catching up with the irises, lupins and poppies; the greenfly had not hatched in bulk and the first of the roses were beginning to open in cascades on every wall and archway.

Perhaps this weekend will allow us a second taste. If not, we can enjoy the consequences of the recent, warm per-fection by visiting gardens which have at last been brought up with their usual calendar.

Nobody can predict the weekend on which English roses will be looking their unrivalled, English best. Last year, it fell nearly two weeks ago; traditionally, it used to be the last week in June: this year, I will hedge the prediction and opt for today, June 29 and July 6. It is no use coming to my area and hoping to see roses at their magnificent best. Most of them hate the dry, poor soil of a garden which lies on the final outflow of the Ice Age and its shingle, I have given up most of the famous beauties with their sonorous old French names. Instead, I go to see them in more suitable sites with the reassurance that I will not have to live with their bushes when the main fortnight is

Rose gardens still dominate the British gardens which open for charity, but the list of honour is gradually increasthe list of nonour is gradually increas-ing. Thirty years ago, it would not begin with Mottisfont Abbey, just out-side Romsey in Hampshire. Since then, the National Trust has filled the walled garden with a sturning collection of old-fashioned roses, guided by the expertise of Graham Thomas. It is open from midday until 8.30pm every day in

Be sure to note the wonderful specimen of the pink rose, Constance Spry, trained on the left-hand wall of the garden as you walk down the main axis to the second enclosure. This second walled garden contains some fascinating varieties from the remarkable col-lection of the Rosarium at Sangerhau-sen in eastern Germany. Their identity is sometimes controversial, but they are valued immigrants from the garden which kept so much of the family alive during the years of Iron Curtain rule.

Thirty years ago, you would not have visited Helmingham Hall in Suffolk or Mannington Hall in Norfolk, beyond Norwich, if you wanted a first-class day among roses. Both of these private gar-dens have benefited from the East Anglian expertise of the great Peter Beales and his rose nurseries. I have heard excellent comments on the dis-tinctive metal supports for roses, devel-oped and sold at Helmingham where the colour schemes and design are par-

ticularly appealing.

East of London, but nearer, you might like to form an opinion of Hyde Hall in Essex, at Rettendon, just to the south-east of Chelmsford. The RHS has taken on this post-war creation of the Robinson family and has certainly inherited a dazzling array of roses, including a full-scale show of climbing roses on ropes. It is now an excellent place to go and decide if this style is the

one which most appeals to you. In Cambridgeshire at Hemingford Grey, east of Huntingdon, academic connoisseurs in Cambridge tell me that the manor has an enchanting display of old shrub roses in its 4 acres of garden round an early medieval manor house with a most river. It is open today from 2pm till 5.30pm and is evidently well worth a visit.

Other points of the compass open up other opportunities where many of you already know established favourites. To the south-west, I doubt if any setting could compete with Cranborne Manor, open mainly on Wednesday afternoons, with its wonderful combination of old brick walls, mature trees and longplaned roses.

Its sister garden is, of course, Hatfield House in Hertfordshire. Its gardens have been hugely increased and improved by the queen bee of grand yards. The surrounding roses will be English gardening, Lady Salisbury.



after her titular move to the main seat from Cranborne in the early 1980s. These gardens are a stupendous example of the style on a grand scale.

In a more intimate style, I warm to Towersey Manor, near Thame, just off the M40 in Oxfordshire. The presiding female genius is the daughter of the late Mrs Merton whose Berkshire rectory garden was such a regular visitor to this column as the summit of the English country house style. Towersey has been laid out since 1975 on a site which was unpromisingly flat and decidedly sparse in hedges or distinguishing features. It shows what you can do with determination on a heavy

Proceeding west, you can loop towards Chipping Camden to the heav-enly gardens at Kiftsgate which are open in June and July from 12pm to 6pm on Saturday, Sunday, Wednesday and Thursday. It is marginally too early for the titanic white rose, the fabled Kiftsgate, which has grown from one rootstock to a length of several hundred yards. The surrounding roses will be

gate monster is warning to the many who try to plant it in a small apple tree. Further west, down the A40, you can branch off for Sudeley Castle, near Winchcombe. The gardens here are open daily from 10.30am to 5.30pm, but the old Queen's Garden is now amply replanted and a wide range of old roses have greatly enlightened grounds which had needed more excitement.

I will stop short of the northern circuit because this late season has delayed the roses' opening times in many of the best sites. No short-list can possibly exhaust the rose riches of Britain in the next formight, but the various styles of this particular list will suit or provoke the eye of any garden watcher or seasonal tourist. While you visit, spare a thought for those who have already sighted black spotall over the gallica bushes. While you enjoy the rose arches, I will be poisoning insects, spraying spores and dreaming of the great heads of flower on Rose Madame Legras St Germain, one of those fabulous French stars whom I will never meet in the flesh but seem unable to meet without aphids in the bud, either. Motoring/Stuart Marshall

# Rover gambles on its image

ome motor manufactur-ers try to be all things to all men. They pro-duce every kind of car from runsbouts to luxury

Others reckon it is better to concentrate on, say, the medium to upper or lower to medium ends of the market. Rover Group (£6,346 Minl to £45,962 Range Rover) believes in the first approach; its German master BMW (£14,120 Compact to £82,020 850CSi), in

The rationale behind being a universal provider is that the glory of the posh and pricey cars will trickle down to the cheap ones. In Rover's case, it does. Its new-last-year supermini, the 200, feels a cut above its competitors. As it should because it costs more than

I have just spent three weeks driving a trio of very different Rover Group products; a fivedoor 200 series, an MGF sports two-seater and a Rover 800 two-door coupé. The impression of quality conveyed by Rover's Viking ship badge comes at a price. Whether they are worth the extra is for the buyer to decide.

It takes longer than a week to form a more than superficial view of a car. But the build quality of the MGF and 800 coupé was high. The only black mark I awarded the otherwise well put-together 200 was over the driver's door lock. On the second day of my test, the lock barrel fell into the door, where it rattled around for a week.

The 200 model I drove was the 220D, powered by Rover's own 2-litre, 86hp turbocharged diesel engine with direct injec-tion, which cold-started instantly without a delay for

preheating. Dropping a big engine into a high-geared car is as good a recipe as I know for effortless motoring. The 200 is small enough to be cramped in the back, a 2-litre engine is on the generous side and gearing at 26mph/42kph per 1,000rpm in

nippy around town (power-as-sisted steering is standard) and

potentially ultra-economical.

A diesel sympathetic driver could expect 50mpg (5.05 1/100km) day in, day out and better than 60 mpg (4.7 1/100km) on an unhurried journey. The interior was quite stylish, the controls light, the boot reasonable and, for a small car, the 220D rode well. With optional extra anti-lock brakes and passenger airbag, it is listed at £11,885.

or months, I had been itching to get my hands on an MGF. In the main, it lived up to my expectations. A midmounted engine gives it sensa-tionally good handling, with cornering powers so high that no responsible driver would try to exploit them fully on the public highway.

It rides with close to family car comfort, noise insulation is good enough for the engine not to drown the radio at touring speeds and the driving seat fitted me like a favourite jacket. Cold and wet weather per-suaded me that topless driving was really not on for motorway journeys, so I never saw the MGF at its hood down best.

Hood up, visibility is none too good because the screen is shallow, the rear quarters are blind spots and raindrops make the flexible rear window opaque. Worse, my wife and I both hit our heads on the bare metal hood irons getting in and out or when the car rocked

It was a great little goer, on a rough road. The modest very quiet on the motorway. boot takes a golf bag and gets warm enough to crease clothes in a case. (We thought it would be ideal for bringing an unripe Camembert into prime eating condition )

The handbrake is offset and awkward to apply. All the young people I showed the MGF to drooted over it and dis-missed my criticisms out of hand. I thought the MGF (from £16,395 upward) an engaging toy but the only soft top I really fancy is a Mercedes-Benz SL and - even if I could afford it - I would not have one of

those as my one and only car. The Rover 800 coupé and I achieved instant rapport. It is a beautiful car, as English as a Savile Row suit. I like to think that if a man wearing scruffy blue jeans and those horrible training shoes got behind the wheel, a well-modulated voice synthesiser would tell him to get out because he was improperly dressed.

Its styling is elegantly con-servative, the interior as tradi-tional as a Jermyn Street hairdresser's premises and the general demeanour urbane. The new Rover 2.5 litre, 175hp V6 engine is vigorous and the 4-speed automatic transmission shifts silkily.

The boot is large and there is ample room for the driver and front passenger, but headroom in the rear seats is limited. Large two-door cars seem rather pointless. Their wide, heavy doors can be a struggle. And that is only for those using the front seats. Price is



MGF1.8k great for the young - but it is at its best with the hood down

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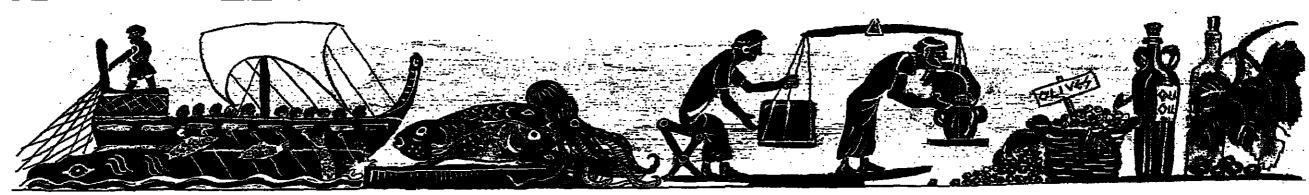
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# The joys of a noisy meal with friends

Starting a two-page special on Greece, Nicholas Lander finds out what's happening on the London restaurant scene

y theory on Greek food and Greek restaurants is this: while the food served in French. Italian, Chinese and Japanese restaurants is far more exciting, meals eaten in Greek restaurants can linger just as long in the memory.

I can still remember my first Greek meals 25 years ago when my hair was way past my shoulders and a holiday on the island of Mikonos, in the Aegean, seemed light years from my home town of Man-chester.

Like many Britons, I began cautiously with taramasalata, mousaka and baklava before venturing on to the many variations of grilled, freshly caught fish, squid and octopus with salads of ripe tomatoes, black olives and feta cheese covered in deep green olive oil and then the even more distinctive, salty hal-

That the same happy gastronomic memories have lingered with so many others explains the longevity of many of London's Greek restaurants. For more than two decades anyone keen to remind themselves of a wonderful Greek holiday could happily spend an evening at Anemos or the White Tower, W1, Beotvs. WC2. Costa's Grill. W8. one of the two branches of Kalamaras. W2, Greek Valley, NW8, or Daphne,

Nontas and Lemonia, NW1. These restaurants are consistent if not thrilling. One reason for this state of affairs, explained Dimitri Dimitriou, a wine importer, is that Greek restaurateurs have operated in the UK as they tend to do in Greece, seeing their restaurants principally as an extension of the home rather than as a business.

"It's not so much a way of mak-

ing money." Dimitriou said, "as a way of providing jobs for the extended family and a focal point

for friends." But this attitude may be changing · if recent meals at Café O, in Chelsea, south-west London, which opened a year ago, are a reliable barometer - as is Dimitriou's atti-

tude to his native country's wines. He said: "I haven't sold Greek wines before but at the recent Lon-don Wine Trade Fair there were some exceptional Greek wines on show, samples of which are on their

Within seconds of sitting down, bowls of black olives, olive oil and warm pitta bread appeared

"There has recently been a revo-lution in Greek wine-making and the future looks even more promising. A number of young Greek winemakers are working in France, particularly Burgundy, and when they go back to practise what they have learnt in Greece you will notice an even greater improve-

My first meal at Café O could not have been more enjoyable. The sky was blue and there were tables on the footpath and the traffic was fairly calm. Within seconds of sitting down, bowls of black olives, olive oil and warm pitta bread

appeared.

The menu offered two courses for £8.50 and three for £10. In nostalgic mood, I ordered the four-colour traditional Greek dips which looked enticing in the sunshine: taramasa-lata and tsatziki sat side by side with a mixed pepper salad and a pulp of roasted aubergine mixed with olive oil.

I could have opted for chicken and mushroom risotto or stuffed zucchini and herb rice but instead l chose soutzoukakia, light minced lamb balls with cumin (for which Rena Salaman gives a recipe on the opposite page). I asked for a glass of a distinctive Greek white wine (14 wines are offered by the glass) and was brought an unopened bottle of Mantinia Spiropoulos 1993, made from Moscholfilero grapes grown in Peloponnesos.

When the manageress recognised my pleasure in the wine she returned with details of a wine and food dinner which Cafe O was hosting the following week. I happily booked the last table.

Unlike so many Greek restaurants, Café O's interior is bright and modern. Walls are deep blue and white, redolent of a Greek summer holiday, and a case displays colourful Greek objets. Nothing, however, as in so many modern designs, softens the noise level.

But then that is an Anglo-Saxon concern. Greeks enjoy restaurants not just for the food but for the pleasure of being with and talking to friends. The Greek food and drink evening was to be no excep-

As Maggie McNie, the Greek Wine Bureau's master of wine, rose throughout the evening to explain the 10 wines that were being served



Marina Folddu, manageress of Café O in Chelsea: unlike so many Greek restaurants, Café O's interior is bright and modern

with the four courses, the chattering reached a crescendo. Cigarette cigar smoke circled the room and although the front door stayed open only a cold wind signified that this was London not Athens.

The food was well-intentioned but

Appetisers

lacking in finesse. However, the first course, large field mushrooms grilled and topped with diced prawns, calamari smothered in olive oil, was excellent and a dish I

will copy at home. It was followed by slowly braised lamb with lashings of thyme. Each course was served with highly pleasurable Greek wines most of which were new to me. In true Greek fashion, plenty of time was taken over the meal to appreciate the food with

■ Cafe O, 163 Draycott Avenue, Landon SW3 3A.J. Tel: 0171-584 5950. Dinner à la carte around £20 a per-

■ Greek Wine Bureau, 260A Fulhum Road, London, SW10 9EL. Tel: 0171-823 3799, fax 0171-351 9678.

Thoughts of island olive groves

"What is most important is that parts of Greece are not

on the village of Rovies (population 1,000) on the island of Euboea off the Greek mainland and, in particular, on its 55,000 olive trees.

These, and the villagers who autumn, have during the past five years established Manuel-ides as the biggest supplier of Greek, green, blond, black and stuffed olives and virgin olive

anayis Manuelides, 35. as Panos, was concentrating on the traffic at Hyde Park Corner, Loudon, on his way between the food counters of Selfridges and Harvey Nichols, his two smartest His thoughts were, however,

🦰 he wet winter in Greece this year has produced a humber vegetable harvest and a painfully early crop of

voracious mosquitoes, as I found out in Crete three weeks ago. But the vegetables were

Vegetables are the treat in Greek cooking, as they grow so last that they have excellent

taste and yet do not become

better than ever.

harvest the olive groves every

forever," Manuelides says. He hopes that the success of the brands he has established. Iliada virgin olive oil for the delicatessens and Karyatis for J. Sainsbury and Waitrose. will continue to protect jobs

"It's not just the income this

supplies for the many women who every September, when the first green olives are ripe, sold off for development to climb the olive trees to knock wealthy individuals, the way Florida has been. Once that the olives down and collect happens, the land will be lost them in their aprons before they hit the ground and are damaged. We also pit the olives once they have been cured, and stuff them by hand with peppers or wild oregano. This provides jobs for those in

the mountain villages who collect the oregano."

other country - to 3,000BC in Crete - it is only now that it is beginning to re-establish its identity as a source of pre-mium quality olive oil. As recently as last year, 80 per cent of total Greek olive oil was sold in bulk to Spain and Italy for blending.

Manuelides, who sells the oil from a co-operative established in 1835, is conscious of

tion with olives and olive oil technique. "They phone me goes back longer than any every day to see how sales are going. It affects the whole village. This is the first year that the co-operative decided not to sell anything in bulk to its usual Italian buyer," he says.

"Slowly they are beginning to realise that the only way forward is to add value, to try to establish our own brand. But it has not been easy. Ninety-eight per cent of my first consignment of olives leaked because of faulty jars. Now I

supply the co-operative with jars from the UK." widely available in the UK, are: gigantes, enormous butter beans; barbayamis trahanes, a

Manuelides is flying to Athens next weekend for a conference organised by the British Hellenic Chamber of Commerce which aims to make Greek olive oil producers aware of the growing British market for quality olive

Other exceptional Greek foodstuffs imported by Manuelides, and increasingly

soup pasta made from durum wheat and fresh sheep's milk; saffron from the village of Krakos; and barbayannis hilopites, a Greek version of egg noodles added to a roast lamb

Manuelides's company, Odysea, is at 2-3 Charterhouse Square, Smithfield, London. Tel: 0171-251 0404 for product

■ An extra virgin olive oil which is fruity but not over- 🗭 powering is more difficult to find than you might think. But I have been using a single estate oil for a few days which suits a simple salad perfectly.

Produced by Pavlos Samos and his family in north-western Crete, it is the first of a range of olive oils planned by The Merchant Gourmet, a sup-plier which sources from small local producers across the world.

4

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Harris

11.3

The oil is available from selected Sainsbury and Tesco stores, Selfridges and some delicatessens at £7.95. It is also available by mail order from the Teesdale Trencherman on 01833-638370.

# A glass of raki and small plates of vegetables

Gerald Cadogan, a regular visitor to Greece, has some advice on food shopping and tavernas

woody. Cooks with imagination love specific dishes, giving more control of the amount of food. working with them, and rejoice In Cyprus it is "meze, parakthat the vegetable markets in alo", and wait and see what comes. Visitors usually take Greece and Cyprus are still relentlessly seasonal and local too much of the starters like - unlike the perpetual out-ofmasalata or tzatziki (or in Cypriot Greek talatouri - the season imports in US and UK supermarkets. In Crete visit the markets in cucumber, garlic and yoghurt spread, which the Cypriots improve with a good dash of Heraklion and Chania (both ideal for buying herbs in large quantities), and in Cyprus the mint) and feel stuffed by the time of the first meat dishes like stifado (beef stew with produce displays in the Paphos market rival the Roman mosaonions, bay and other herbs, ics in the vaut le voyage stakes. and a squirt of wine vinegar -Grazing Greek-style at a tovexcellent in winter) or marierna on lots of small dishes, or nated pork afelia, which pre-

mezedes, in the centre of the cede the grills. But it is hard to better in any cuisine wild asparagus table is the way to taste the vegetables. After years visiting both islands, I prefer the Crecooked with beaten eggs, a tan system in which one orders Cypriot spring-time delicacy.

Lewille Las Cases Hani Marharet

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Fungi are done the same way. There are also plenty of pick-led capers in Cyprus - the with their ouzo or raki. As an aperitif raki beats ouzo hollow, but it is uncommon to whole plant, not just the buds find outside Crete and some which are all that we can buy Cycladic islands. It is extremely strong, distilled like in jars in western Europe and fresh coriander in salads pressings left from the vintage. or cut up on cold potatoes with a sprinkling of olive oil.

sheftalia, home-made sausages full of herbs, and enjoy hal-oumi cheese which should have mint in it and - if it is a good one - squeak as you eat it. Cyprus is also the only place where I have eaten boiled loofah, which is not from the sea but from the marrow family. A lovely spring dish in both islands is angineres a la polita, or artichokes Constantinoplefashion, which means a stew of artichokes, new potatoes and dill, and may include broad beans in their pods (the point

I am also devoted to Cypriot

woody), all in an oily-lemony sauce. It is heaven. Artichoke-lovers can also eat them raw and rubbed with lemon, as the Greeks do especially in meat-free Lent to go

about things being big but not

pastry dipped in honey Usually, a few weeks after the vintage, a village still-owner obtains a licence to run his still for 48 hours, night and day. Often the whole village will come to sit around the fire

'End a

meal with

mizithra

mizithropites,

hot cakes of

cheese in filo

and, of course, test the latest brew as it comes hot from the kazani (still). Raki is strong and has no additives. But if you want to buy a bottle, ask a Cretan to help. You must know the source as raki is often diluted

on a cold October night, eat

potatoes baked in the ashes

Other good vegetable dishes are kolokythokeftedes (fried courgette and potato pattles), and horta, boiled wild spring greens needing some oil and

plenty of lemon juice or wine vinegar Beetroot (pazaria) gets similar treatment, and is always served with some of the

Good summer salads include glystrida (purslane), a crunchy. slightly peppery plant which enlivens tomatoes and peppers in the post-lettuce time of the

In Crete my favourite for this food is Nikos Kapsalakis's Kapsalis taverna at Gournes a secret I am willing to share with FT readers.

Take the road to Mires and

Phaistos out of Heraklion and after about 3km turn left up a barely marked road, which runs through the Malevisi vineyards that produced the Malmsey wine Clarence was drowned in. It is the first taverna on the left on entering Gournes and in winter has an

open fire. Kapsalakis also serves liver and innards in an egg-lemon sauce, cheeses such as creamy mizithra in the spring and Crete's own hard cheese - graviera (the mature version is known as kefalograviera). Other specialities include volvi or bulbs - I have never found out which plant they are from - and cheese toast (byropsomi). Kapsalis may also offer a large rusk (dakos) spread with

Scrambled eggs (kaimaki) are an unexpected treat. The meal should end with mizithropites, hot cakes of mizithra cheese in file pastry dipped in



Selling olives at a market in These

choose prepared fresh fruit. again with raki. The price will be cheap by western standards. If you are visiting Knossos and it is hot, you might con-

sider driving up the valley, where it is cooler, until a grand 19th century aqueduct stands before you.

Turn right immediately before the bridge over the ravine and park by the aqueduct to eat mezedes at O Chreiazomenos, which nestles against the aqueduct - reminding one of the trattorie on the Via Appia Antica outside

around the bend is another tayerna which specialises in rab-

town. I look for a place that produces dishes from the oven like mousaka and gemista, which means "stuffed things", such as tomatoes, peppers, courgettes and aubergines. All should have been freshly cooked that morning. If the place is full of businessmen and building workers, that is a

good sign. Gemista with a portion of

feta cheese me ladi kai rigani (with oil and oregano) makes a good lunch or, in winter, lentils (fakes) or bean soup (fasou-lada). In Heraklion one of these places is Antigoni on Leoforos Knosou near the Ayios Constantinos cemetery. Unexpectedly, it offers cake

(keik) for pudding. A smarter restaurant in Heraklion with similar traditional food is Kyriakos (taxis will know), and the most chic restaurant in the middle of town is Luculios. Bon appetit or, as

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# Producers forge a strong identity

Nico Manessis has some up-to-date recommendations and advice for holidaymakers and wine drinkers this summer

makers are responsible for a multitude of exciting wines that lave helped change Greece's vine scape irrevocably, and given it a new dynamic iden-

From the north to the south, ncluding the islands, visitors to Greece can enjoy a diversity of well made wines, some uniquely Greek in character, some more exotic in their

THE NORTH

The industrial north is home to two of the largest wine producers in the country, J. Boutari & Son and Tsantalis, as well as a number of medium-sized and smaller producers.

Travelling east from the main seaport city of Thessaloniki, you can visit Ktima Gerovassiliou in Epanomi, Tsantalis at Aghios Pavlos and Domaine Carras at Playes Meliton in Halkidiki, Babatzim & Co in Anhialos and Ktima Kosta Lazaridi in Drama, An hour's drive north-west from Thessaloniki is Goumenissa where you can visit J. Rootarl

"Taking the Cyclops's sheep, we

divided them so that I saw no

one went cheated of a fair share; but to me alone, when the

sheep were shared out, my well-

greaved comrades gave an extra ram. Offering this on the beach

thighs...Thus then all day till

sunset we sat feasting on plenty

Phaeacians.
We can see in this story

and many others like it in The

Odyssey - how the precursors

of modern Greek food had a

reputation for cooking meat.

Meat is heroic food in most

cultures - food for exhausted

warriors and food which

Homer, with a little poetic

licence, feels right for his dra-

Think of the ghoulish details

of the Cyclops tearing apart

Odysseus's men, two at a time:

limb by limb he tore them to

pieces...which he devoured

like a mountain lion, never

pausing till entrails and flesh,

marrow and bones, were all

ferent. Normal everyday fare for Greeks is seasonal and

based primarily on vegetables,

(as Gerald Cadogan's article on

the opposite page shows). There is a bewildering variety

of greens, pulses, olive oil,

olives and bread. Every neigh-

The reality, of course, is dif-

matic epic.

consumed...

Was this the first souviaki?

of meat and sweet wine."

Zeus...I ournt the

o Odysseus recounts his troubled journey to

Alcinous, King of the

& Son and Aidarinis wineries. if heading west, be sure to stop at Naoussa for a visit to the production headquarters of J. Boutari & Son. To the south, in the foothills of Mount Olympus, visit Ktima Katsarou near the village of Krania. For directions and assistance on how to make the most of your visit to this region, and its other wineries, contact Macedonian

Wine Routes, 9am-3pm, Mon-

Fri, tel: 031-282313.

Recommended wines 1995 Ktima Gerovassiliou white and '93 red; 1995 Blanc de blancs white, 1995 Melissanthi white, 1995 Ktima Carras rosė by Domaine Carras: Makedonikos white, Aghioritikos white, Rapsani red by Tsantalis; Ero-dios rosé and four different kinds of single varietal tsipouro (grappa) by Babatzim & Co; 1995 Amethystos white and '94 red, 1995 fumê white by Ktima Kosta Lazaridi: 1994 Magiko Vouno white, 1992 Chateau Lazaridi red by Chateau Lazaridi; 1990 Naoussa Grande Reserve and a large selection of single vineyard and varietal

wines by J. Boutari & Son; 1994

Goumenissa red by Aidarinis;

1993 Ktima Katsarou red: 1993

Thessaloniki, Greece's second largest city and a mecca for food, will impress you with its culinary variety and quality. Best wine bars/restaurants. Panselinos 031-860978, Oinanthi 031-271074, Stain 031-283196, Ta Nissia 031-285991. Best wine shops

Cava Canava 031-544042, Depots de Vins 031-419484, Vizantino Kelari 031-237732. All in the city centre.

ATTICA

Attica is home to Kourtakis. one of Greece's leading retsina and wine producers, as well as Strofilia Vineyards & Winery in Anavyssos off the seaside road to Sounio, and Semeli Winery, in the sleepy village of Stamata, north-east of Athens. where you can buy older vintages (01-621 6811), Chateau Matsa and many others. Recommended wines

1995 Kouros white and '93 Kouros red by Kourtakis; 1995 Strofilia white; 1995 Semeli white, rosé and, 1993 Chateau Semeli red: 1995 Chateau Matsa Vieilles Vignes, 1995 Laoutari

Naoussa red by Markovitis both white by Chateau Matsa.

Athens, with all its contrasts pleasantly surprises, especially in August, when its inhabit-ants desert the centre en

Best wine bars L'Enoteca 01-613 8651, Oinopathia 01-685 0686. Restaurants with good wine lists and excellent food: Varoulko 01-411 2043, Apagio 01-983 9093, Spondi 01-726 4021 Best wine shops Cellier 01-360 7451 (chain of

five), Oino-pnevmata 01-361 2644 in Kolonaki, Cava Vinifera 01-807 7709 in the fashionable residential northern suburb Kifissia.

PELOPONNESOS

Peloponnesos offers the perfect marriage between the ancient and the present. If you arrive by ferry at Patra and drive down to Olympia, birthplace of the Olympic Games, Ktima Mercouri near Pyrgos is a must (0621-41601).

If you are driving towards Athens, a short detour off the Patra-Athens national road, to Oenoforos (0691-29415) in Ano Ziria overlooking the Gulf of



the second second second second second

Respire in Greece is printed on some 185,000 hectures, 27,000 hectures, 27 tion, especially on private experimental vineyards.

Corinth, will be rewarded both vinously and visually. Should you choose to travel to southern Peloponnesos, there is plenty to taste, see and enjoy. Try Ktima Papaioannou (0746-23138) in ancient Nemea, near Mycenae and Epidavros. Skouras Winery (0751-23688) is near Argos and picturesque Naiplio (Greece's first capital after its independence in 1821). Enjoy fresh fish at Likos (0751-47225) or local gastronomic delicacies at Spilla (0751-62300) or shop at Naiplio's best wine shop, Cava Karonis

(0752-24446). Further south, in the heart of Mantinia, visit Ktima Spyropoulou (01-284 5962) and Tselepos Vineyards (01-803 0319) and taste the grapey Moschofilero wines. Recommended wines

1995 Foloe white, 1994 Ktima Mercouri red by Ktima Mer-couri; 1995 Asprolithi, 1995 Orios Oinos, both white, 1995 Esperitis rose by Oenoforos, 1993 Ktima Papaioannou red by Ktima Papaioannou, Cambello white, rose, red, 1993 Aghiorghitiko Nemea red by Skouras Winery, 1995 Orino,

1995 Ktima Spyropoulou both white by Ktima Spyropoulou, 1995 Mantinia white, 1992 Ktima Tselepou red by Tsele-pos Vineyards Adoli Ghis, 1995 Antonopoulos both white, 1994 Idiotiki Syllogi red by Antonopoulos Vinevards.

OTHER REGIONS

Recommended wines From Zitsa, Epirus 1995 Still dry, Zitsa sparkling medium dry both white by Zitsa Coop. From Atalante, Fthiotida 1995 Ampelon white by Ktima Hat-From Karvstos, Evia Myrtilos white, 1991 Ktima Montofoli

dessert by Pavios Karakostas. THE ISLANDS

In the Cyclades, the volcanic island of Santorini (a 45-minute flight from Athens) will capture your imagination. Guided tours to the J. Boutari & Son winery (0286-81011) will enlighten you about the history of the island and its wine

Dine at Domata (0286-32069), the restaurant of highly regarded Santorini chef Karamolengos. Best restaurants on cosmopolitan Mykonos are Catrine's (0289-22169) and El Greco (0289-22074). The island's best wine shop is Satyros (0289-

26138/9). aded wines 1995 Santorini, 1994 Kallisti fumé both white, 1991 Visanto dessert by J. Boutari & Son; 1995 Thalassitis white by Gea; 1995 Ktima Argyrou Santorini white and the exceptional 1978 Visanto Ktima Argyrou dessert by Canava Argyrou: 1995 Santorini Oia. 1994 Santorini Oia cask-aged,

lavishness, labour and imagi-

both white by Sigalas. Recommended wines from

Rhodes Villare white and Grand Rose by Emery. Recommended wines from

Samos Samos Grand Cru, Samos Anthemis, Samos Nectar all white by Samos Co-op. Recommended wines from

1995 Vin de Crete, white, rose and red by Kourtakis; 1995 Minoikos Peza white and red by Minos Cretan Wines. Recommended wines from

Cephalonia 1994 Gentilini, 1993 Gentilini fumé both white by Nicholas S. Cosmetatos.

Corfu The island's best locally made wine is Halikouna by S. Livadiotis. The island's "in" place is the Pelekas Country Club (0661-52239). Best wine shop on the island, in the old town, Thimis Wine Cellars and Cava Nostos

Most of the wines mentioned in this article can be found throughout Greece.

Nico Manessis, who lives in

Geneva, is the author of The Greek Wine Guide published by Olive Press. Fax no: +41 22 758 0186 or in the US 1-800-Cosmass-2

■ The following vintners are represented in the UK: Boutaris by Waverley Vintners 01738-629621; Domaine Carras by Percy Fox & Co 0171-208 2500; Nicholas S Cosmetatos by Marangos & Co 0171-287 3372; Kourtakis by Kourtakis Wines 01734-712629; Klima Mercouri by Berkmann Wine Cellars 0171-609 4711; Tsantalis by Vertus 0181-801 0011.

# Family food with an ancient history

Rena Salaman recalls some of the Greek dishes she enjoyed as a child



An Athens fish restaurant owner displays his wares: fish has been an important feature of Greek life since ancient tin

rissoles in tomato sauce) or gemista, the colourful stuffed assembly of vegetables which was paraded early in the morning to the local baker to be

bourhood has a lively street market at least once a week. they went for a celebration. When we lived in Greece we Meat on those rare occasions did have meat, but on Sundays. constituted a status symbol. And even then it was often The more you ordered, the more impressed the audience. minced in dishes such as soulzoukakia (comin-scented meat

cooked after the bread came Traditionally, Greeks ate grilled or roasted meat when

I remember as a child in the early 1950s, going hand in hand with my parents to Dorou Street in Athens, near Omonia Square. The street resembled a sacrificial temple as it was lined with restaurants totally devoted to grilling and roasting whole lambs, suckling pigs and delicacies such as kokoretsi and gardoumia -both made with lamb offal and grilled slowly on rotating spits.
This always reminded me of

the scene where Odvsseus's men slaughter the sun god's sacred cattle: "When the thighs were burnt up and they had tasted the inner parts [was this kokoretsi?], they carved the rest into small pieces and spitted them on skewers.

Just walking down the street through the roasting clouds, watching the glossy contours of the various meats sizzling, and inhaling their aromas which provoked a wonderful sensual feeling. I would savour every morsel of kokoretsi, slowly turning it in my mouth, trying to prolong the taste. Afterwards, I would lick my fingers while my parents finished their glasses of beer. Both Odysseus and Homer

would have approved. At home it was a different story. Back to the fasoulada bean or lentil soup served with appetising rings of crispy fried squid or anchovies (garros), or

occasionally keftedes - fried meat balls redolent with the aromas of oregano and fresh mint. And always fresh, crusty bread, various types of olives rocket and radishes. I loved the spring best, not

only because our garden would fill with roses but also because it brought us vegetables which changed the nature of our daily meals completely. Many of our vegetable dishes were combined with statuesque bunches of fresh dill, velvety dark green olive oil and lemon juice in unusual casseroles. This was a feast which Odysseus might even have exchanged for Ithaca. Sundays in the spring would often mean the same vegetables cooked with lamb in a casserole with

an enriched sauce. At least once a week, the wandering fishmonger carrying a flat cane tray on his head would be beckoned to our door. Then we would have delicious pilafs made with souid, mussels, lustrous ink-coated cuttlefish or solines (razor clams), or simply a baked plaki of anchovies, sweetened with tomatoes and laced with earlic and olive

Fish has been an important feature of Greek life since ancient times. It was small dishes of fish, sea urchins and shellfish, including oysters, symposia, and not meat.

which were served at attic Greek cooking may seem simple but it does not stint on

nation. It is also a cuisine at least 2,000 years old and some dishes, such as dolmades (stuffed vine leaves), can be Called thria in 5th century BC Athens, these were originally stuffed young fig leaves. Aristophanes's Knights, Frogs and Acharnians all mention thria with three different kinds of stuffing. They are delectable

ous amount of olive oil. Greece is a small country but fortunate in its primary ingredients. Surrounded by sea, it has an enormous variety of fish and seafood as well as an abundant supply of vegetables

made in early summer with

young vine leaves and a gener-

and fruit. There are also some excel-

lent wines. Some of my favourites are Hatzimichalis's white and rose, the light and fruity white Nikteri made with Asyrtika grapes by Roussos from the island of Santorini, and the red Katogi from Metsovo.

But the most important ingredient, and the one that gives Greek food its character, is olive oil. It is also now known to be beneficial to Peloponnese, Lesbos, Crete or Corfu is particularly delicious and among the best in the Mediterranean. A simple tomato salad comes to life once I have dressed it with my favourite extra virgin olive oil from Mani in Peloponnesos. This is the nature of real

Greek food. ■ Rena Salaman is the author of Greek Food (HarperCollins, £20) and a number of articles and books on the country's cuisine. Her latest book, Healthy Mediterranean Cooking, will be published by Francis Lincoln

### f there is one thing I love above all others in Greek cooking it is avgolemono.

that magical combination of egg and lemon that can range from eggy rich with a zesty edge to it, through smooth and creamy yet refreshing, to sharply acid. depending on the ratio of egg to lemon used, writes Philippa Davenport.

The consistency can vary as much as the taste, from almost as thin as a broth, to a delicate coating sauce. What is more, avgolemono works equally well served hot or cold. How is that for versatil-

My first avgolemono was served to sauce an exquisite dish of broad beans. The sauce was based on the intensely beany-flavoured cooking liquor, lightly salted and infused with sprigs of dill

to add an extra dimension. It was finished by beating in the egg and lemon liaison and re-warmed carefully until gently thickened. Served with the beans on a bed of steamed rice and scattered with chopped green dill, it taught me that low-fat, meatless meals

# Soup and soutzoukakia My grandmother could have fed Xenophon's army of 10,000.

Cookery

can occasionally prove a real I have never eaten fish with

an avgolemono sauce, but a thin augolemono soup made with rich fish stock is excellent (and especially refreshing served chilled on a hot evening). Best loved of all is chicken avgolemono soup, a dish that endears itself to cooks all over the world, not least because it can be made with minimum effort the day after serving posched chicken, to use up the fragrant broth and scraps of meat from the

My anglicised version is more substantial than most. I find it soothing served for lunch, either hot or tepid when summer plays fair. CHICKEN AVGOLEMONO

SOUP WITH COS LETTUCE (serves four) 1 litre rich chicken stock; 150g cooked, boned and skinned chicken meat, cut or torn into quills; 50g shredded cos lettuce; 30g basmati rice; a small banch of dill, chopped; two lemons; two eggs. Wash the rice under a cold

running tap until the water runs clear. Bring the stock to the boil, stir in the rice and boil for three to four minutes. Then cover the pan and simmer very gently for two to three minutes more or until the rice is almost done to your While the rice cooks, beat

the eggs in a cup with three tablespoons of lemon juice. Strain through a fine sieve to extract the gelatinous threads from the whites, and season lightly with salt and pepper. Add the chicken meat, cos and a green shower of chopped dill to the soup pan. Bring the contents quickly to a rolling boil and immediately draw the

pan away from the heat.

en paramental de la composició de la compo La composició de la compo

Add a few spoonfuls of the hot broth to the egg and lemon mixture, stirring vigorously as you add them. Then pour the egg and lemon mixture into the soup pan, stirring all the while. Return the pan to a very low

heat and continue stirring for. say, two minutes until the soup is delicately thickened. Finally, cover the pan and set it to one side for three to four minutes before seasoning with extra salt, pepper, lemon and/or dill to taste.

Soutzoukakia is a dish of minced meat and bread which probably originated from the Greeks who came from Asia Minor after the catastrophic war with Turkey in 1922, writes Rena Salaman The more bread in the mix-

ture the further it will stretch.

750g mineed lamb; 2-3 crustless, medium slices of bread, soaked in water for 10 minutes; 1 egg; 3 cloves of garlic, peeled and crushed; 1tbs ground comin; salt and freshly ground black pepper; 4 the plain flour for coating; 3 the sunflower oil for frying.

It is a practical dish as it can

be cooked in advance and re-

absolutely delicious.

heated as needed. They are

SOUTZOUKAKIA

(serves six)

The sauce: 3 the olive oil; 400g tin of chopped tomatoes; 1 ths tomato purée diluted in 150ml hot water, I teaspoon of dried oregano: 10-12 green olives (optional). Squeeze the bread dry and

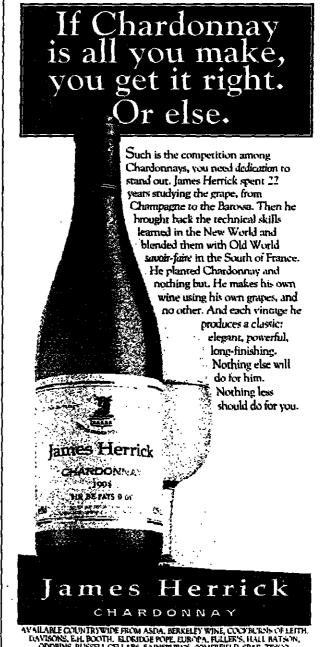
place it with all the ingredients apart from flour and sunflower oil, in a large bowl. Mix them - and there is nothing rice, French fries or pasta.

more efficient than your fingers - until well blended and silky. Take a small handful, the size of a large walnut, shape it into a short and slim sausage-shape and set aside. Continue until all the mixture has been finished. Roll them lightly in flour and shake to get rid of any excess.

Heat the vegetable oil gently in a large non-stick frying pan and fry them, turning them round as they become golden. Lift them out with a fork once brown all round and discard the oil. Their aroma is very seductive at this stage and, of course, they can be eaten hot there and then. But you can make a larger meal if you then cook them in the tomato

Saucé. Heat the olive oil in a sauté pan or wide-based saucepan, add the tomatoes and stir with a wooden spatula for a few minutes. Add the remaining ingredients and the soutzon kakia. Roll them to coat in the sauce, cover and cook gently for 30-40 minutes, occasionally shaking the pan gently

These can be served with mashed potatoes, plain boiled



# Naughty Lola, monster of pretension

She was a spectacularly tiresome woman whose life was lit by the blaze of notoriety, shudders Clement Crisp

n her Berlin days, Marlene Dietrich sang "They call me naughty Lola", but whatever that Lola's naughtinesses, they are the merest, lightest of sins when compared with the activities of Lola Montez, all of which are revealed, and for the first time, in Bruce Seymour's biography.

Lola Montez was a spectacularly tiresome woman, a mon-ster of pretension, lies, rampant sexuality and humbug. She was none of the things she said she was - Spanish; a dancer; an aristocrat - and she trailed behind her a ghastly reputation and a comprehensive selection of disasters, from a duelling death to Bavarian revolution, by way of bigamy. brawling in three continents, horse-whips, and chronic

her dates are 1820-1861 - she represented an unashamed. fiaunted sexual independence, lit by the bright blaze of notoriety. She was born - illegitimate - Eliza Gilbert, in Limmerick, became Lola Montez as an escape from impending and scandalous divorce, was cre-ated Countess of Landfeld by King Ludwig of Bavaria (deaf, in his sixties, and besotted), and died in an unlikely cloud

of sanctity, in New York.

Her story has been told many times, always inaccurately, not least by Lola Mon-tez herself, whose concern for truth was about as considerable as her concern for her victims. She echoes down the years as the arch-adventuress of the 19th century, and her highly dubious charms - what she lacked in beauty she made up for in push and flaring temperament, and what seems an irresistible will – were merchandised by herself, by hapless admirers and by unscrupupublicity and minimum verac-

Bruce Seymour, an American, became fascinated by Lola's story. It seems somehow appropriate that his success in a television quiz-show should have brought him a cash prize so considerable that he was able to devote four years to the sort of scrupulous research into the baggage's life and loves which had never before been undertaken. The Bavarian State Archives revealed a mass of unknown correspondence and reports which made plain Lola's disgraceful role in bringing about the abdication of King Ludwig (whom she duped every hour on the hour). Newspaper records in Austra-lia and California, and elsewhere, have been painstakingly culled to make clear much about her ludicrous theatrical ventures. (She started out as the least convincing of

Spanish dancers, and then

became an actress, appearing (on to whom she latched with disturbed presence can be not only in what must have remarkable skill) and King sensed.) been the most opportunistic of dramas, Lola Montez in Bavaria, but also setting the groundlings in a roar as Lady Teazle - a performance it might well have been worth

LOLA MONTEZ: A LIFE by Bruce Seymour Yale University Press £20, 468 pages

Seymour has, splendidly, found all the facts, which are probably more than we need to know, since the story repeats itself from lover to lover, city to city, brawl to brawl, flight to wild flight. And there they are, the lovers, victims, enemies ("Jesuit" seems to have been her dismissive term for anyone not immediately her slave) and pretenders to her hand in marriage. They range from Liszt

remarkable skill) and King Ludwig to the wealthy you Mr Heald whom she "married", the tragic Dujarier, whose body she received when he had been shot in a duel, and Frank Folland, her leading man and lover, who fell overboard on the way back from her Australian tour as an actress.

She lived surrounded by scoundrels, fools, and men gulled by her vivacity and her lively tongue. That she had some ferocious allure is plain, but the picture we gain is of a woman wholly detestable and, ultimately, wholly unsympathetic. Few facts in Seymour's narrative indicate any redeeming quality - I do not count her love of animals as anything but an added horror and the strongest impression is of a seriously psychotic personality. (The late photographs. taken in New York, show no vestige of beauty, but an oddly

Truth was her truth. Adulation was her food, and she demonstrated the awful arrogance of an arriviste who has. temporarily, arrived. Whether raging like a termagant at her lovers, screaming at an audience of unappreciative miners "Give me your trousers and take my skirts, you're not fit to be called men!" - or lecturing to American audiences on "Secrets of a Lady's Toilet", she remains a monument of

Seymour admits that he may be thought Lola Montez' final victim, so great a labour of devotion was the book, but the final justification of this biog-raphy is that it is, please Heaven, the last word on the creature. The inaccurate inscription on her New York grave is eroded by time, but Seymour's work is the true



Lola Montez: her highly dubious charms were mercha

# A liberal scholar before his time

Malcolm Rutherford admires a life of the poet Matthew Arnold

was the model of a liberal English intellectual: poet, scholar, Europhile and with a social conscience to boot. He thought that one of the failings of the English was a lack of intelligence: an inability to realise that other Europeans did some things better.

him. At Oxford he was a bit of a dandy, generally known as Matt. He played games, rode to bounds, wined and dined and did less than the minimum four hours work a day expected of him by his friend and fellow poet, Arthur Hugh

Matthew's father, Tom, must have been embarrassed by such reports. For it was Tom Arnold who, at Rugby, founded the tradition of the English public school: hard work and fear of God. Although he attended Rugby and briefly taught there, Matthew sent his own sons elsewhere. He preferred a more relaxed approach, but was perhaps just as much an influence on English education as his

Matthew spent almost his entire working life as an inspector of state schools, which involved making comparisons between education in England and on the continent.

Nicholas Murray's biography, the first for many a year. contains some new information. For example, I had not previously realised that parts of Dover Beach, still one of the best known poems in the English language, were written by Arnold while on honey-

moon - in Dover. There is fresh light, too, on another poet with whom the Arnold family used to play whist. He was William Wordsworth, not usually thought of

Apart from living under the shadow of a famous father, however, it emerges very clearly from this book that Matthew's main problem was that he never had quite enough money to live the life that he might have liked. He reacted

There are two things

"wrong" with Jay McInerney's new

novel. Though neither

is fatal, they are sufficiently in

evidence for The Last of the

Savages to be seen as a fall

from grace for the still young-

ish and hitherto fashionable

New York novelist whose pre-

vious works - especially Bright

Lights, Big City and Story of

my Life - were invariably described as hip, chic, humor-

First, McInerney's new novel is not primarily set in New

York or in any similar trendy

ney's skills and resourceful-

ous and sophisticated.

not by doing anything rash, but by taking a job and sticking to it. Without the promise of a steady income, he was told by his future father-in-law, he could not possibly expect to

marry the daughter of a judge. As an inspector of schools around the country, he was greatly respected. Staff and pupils looked forward to his visits, though his proposal that according to their performance was ahead of its time - more for the 1990s than the 1860s.

In his life time he was regarded as one of the great poets of the Victorian age perhaps second only to Tenny-

A LIFE OF MATTHEW

by Nicholas Murray Hodder & Stoughton £20, 400 pages

son, whom Arnold always disparaged. Yet gradually he gave up poetry for prose: mainly social and literary criticism. It was a great pity, as Murray observes, that he always turned down invitations to write a book on Shakespeare. His insights would have been at least as penetrating as any-

one else's. Just possibly he felt a little humble, as well as too

Arnold's most famous book was, and remains. Culture and Anarchy, in which he divides society into Barbarians, Philistines and the Populace. The Barbarians were the aristo-crats who could be good, bad or indifferent, but were important because they could set standards. The Philistines were on the whole anti-culture and opposed to an open liberal view of what happened around them. The Populace were the

If that sounds elitist, read the book again to see the underlying humanity. Murray notes that the Labour MP, Roy Hattersley, has said recently that three people who helped to define his view of socialism. Matthew Arnold was one of them. The others were R.H. Tawney and Anthony Crosland: a surprising but under-



standable triumvirate. Arnold was particularly critical of the philistinism of the broadsheet

newspapers of his day, notably The Times and the Daily Telegraph. Yet one cannot help thinking that he would have been a brilliant editor. It was Disraeli who said of him that he was the "only living Englishman who had

become a classic in his own

time". What Disraeli meant was Arnold's talent for coining phrases like "sweetness and light", "the best that has been thought and said" or indeed some of the lines from Dover

Still, he was always ripe for parody. He was excessively proud of being elected to the Athenaeum, the London club to which he repaired for dinner after inspecting schools in the East End. One of the satirists of the time wrote that Arnold's real age was: "We the cultured - we indeed see. But the world

at large does not".

Murray's book is straight and detached to the point of being at times slightly pedes-trian but it is still a very good biography of a great man.

Fiction/Michael Thompson-Noel

Story out of focus

It tells of the friendship of Will Savage, from an affluent Mississippi delta family, and Patrick Keane, a self-effacing Irish-Catholic from a dreary New England mill town, who are first thrown together as juniors at prep school in 1967 and who stay in touch. often from long distance, as their careers and lives diverge.

meeting him. In time, Will

urban environment. In thus But it is not really a buddy abandoning his roots, McInerney has gambled, and few will novel. Will is heavily into soul be convinced of the merits of music - "the purist art this Second, because of over-amdamn country has produced, bitiousness, The Last of the man. . like the distilled Savages is strangely ungrip-ping for someone of McIneressence of suffering and the yearning to be free", as he tells Patrick within minutes of first

becomes a music promoter and an underground legend, but the novel is only episodically about the American music Will marries a beautiful

THE LAST OF THE SAVAGES by Jay McInerney Bloomsbury £14.99, 271 pages

black singer, Taleesha, whom McInerney describes, early on, with unusual laziness, as "a striking creature, tall and lithe and feline". But, extremely disappoint-

ingly, The Last of the Savages

love and sexual attraction, even though such a subject, which is largely neglected in comparison with inter-racial hate and conflict, would have been challenging and compul-As time wears on it is Pat-

is not a story about inter-racial

rick, as narrator, who moves to centre stage and takes over the novel. There is nothing wrong with that, except that it happens too slowly, almost by accident, and Patrick's obvious bisexuality, which ought to have been central to his friendship with Will, is handled too reticently to be of much ser-

Finally, the writing is some-

times prey to cliché and torpor. A woman who picks Patrick up in a bar has a "shock of vivid red hair" and her eyes are "animated with a quick and predatory curiosity". An old slave-farm diary that falls into Patrick's hands at Yale represents "a remarkable slice of history". At one point, extracts from this diary seem in danger of taking over the novel, but the danger recedes, as do so many things in The Last of the

It is certainly not a bad novel. McInemey handles dialogue almost as well as Truman Capote, which is saying a lot. And his humour has not

gone away. All it really lacks is shape and focus. You would see the same result if an Olympic-class rifleman set out for Atlanta with only a shotgun. The score would be low, the gallery unimpressed. But he would

# A quiet place to know something

year-old lecturer at Montreal University, two years ago. He was then making the final revisions to this book - which, amongst other things, ironically deplores academics who become part of the "frequent

The ruin of a young man's life places poignancy upon his solicitude for the ruin of an institution. His posthumous message, as far as it can be distilled, is that universities have collapsed with respect to their original ideals:

Once bastions of culture, they have surrendered to the siege of accountants, managers, and time-and-motion analysts, to become soulless players in the global economy. Students check out these players using league tables, searching for a place that will guarantee them three or four years chancellors act like corporate bosses, hiring, firing, down-sizing and head-hunting. "Excellence" is both buzz-word and criterion for success: actually, it is as mysterious to most university participants as the meaning of the Latin tag on their letterheads.

According to the analysis here, most modern universities were founded along the lines of the German model as instituted at Berlin by Humboldt in the early 19th century. This enshrined the ideal of indirect national utility in higher education. Universities were places where citizens could be trained to think. State investment could be justified on the grounds that these institutions acted as cultural centres of gravity for a nation. But what

ill Readings, a 34- happens when the global economy dictates beyond national interest? And what happens when the received canons of "culture" in this or that country are no longer canonical?

From the ivory tower the watchword is silence": in 1968 students clashed against capitalism, and now most universities run courses in management studies. The image of craven quietism and pictur-esque decay presented here will attract sympathy from academics afflicted by current professional pains. Derisory pay; intolerable demands to each, research, and administrate all at the same time; stu-

THE UNIVERSITY IN RUINS by Bill Readings

Harvard University Press £18,95. 238 pages dents who cannot be failed, for

But these, though current, are by no means new afflictions. The phrase used in this book to describe the modern nature of the university, "techno-bureaucratic". is very close to the phrase "technologico-Benthamite", used by F.R. Leavis to castigate the Robbins Report and the expansion of British universities during the 1960s. Leavis professed English literature; Readings taught comparative literature: they may both be seen as simply fighting their own corners here. The truth is that it is those dons who despise science and technology who are really betraying the original ideals of the university (which belong with Plato and Aristotle, not

Humboldt). As the author points out, a founding feature of the univer sity is that it bosts critique s the university can hardly b "in ruins" while he (and many others) are debating these issues. His own contribution, however, is too rambling to convince. In the case of a book where the author has not seen final proofs, one must refrain from harping about minor solecisms. But there is no excuse for impenetrable language. "Performativity". "dereferentialization", and so on - these scholastic neologisms contribute to a fog of theorising which is not so much an analysis of what is wrong with modern academia as a symptom of it. (For a more elegant exposition of the same issues, see David Damrosch's We Scholars, also published by Harvard).

There will be no more Lionel Trillings", predicts Readings, with more satisfaction than gloom, since he believes that intellectual celebrities to the scholarly community. But it was Trilling who yearned for a place...where one would know something - in what year the Parthenon was become the order of battle at Trafalgar, how Linear B was deciphered: almost anything that has nothing to do with the talkative and attitudinising present". The notion of a liberal education is fragile; but it has always been fragile, a delicate luxury. In lecture-rooms and laboratories around the world. Trilling's quiet places are still afforded by the institution of the university. Far from being ruined, this institution is stronger today than it has ever been in its entire history.

**Nigel Spivey** 

# The ambiguous nature of twinship

plitting down and dou-bling up are among the most pervasive of forces. People and animals would never have evolved without cell division and multiplication. The binary arithmetic of computers increasingly governs modern life.

Penelope Farmer's book is about twins. Moved by her twin sister's death, she has assembled a collection of writings by 250 authors, from William Shakespeare to Eric Cantona, about the nature of twinship, linked up by her own narrative. The result is an absorbing, and only occasion-ally self-indulgent, examination of doubles which explores the ambiguities of the subject as much as the certainties.

The birth of twins has always been regarded as strange. Some ancient peoples, in a practice that unhappily still happens in some parts of the world, insisted the process was the work of the devil and put one or both infants to death. In life, twins often provoke not just curiosity but fear. When the gangster Kray twins were ruling the East End underworld, observers com-mented on their telepathy and uncanny similarity "which pro-duced an effect that was liter-

**NEW AUTHORS** PUBLISH YOUR WORK ALL SUBJECTS CONSIDERED FLESON, POR TOTAL SUPPLIES AND T ally double that of a normal individual".

The oddness of twins introduces a number of difficulties, both for them and for people dealing with them. According to one contributor, twins "unleash a flood of associations, each of which triggers its converse. [They] introduce a vertigo of the self: they are indisputably two, inescapably

by Penelope Farmer Virago £20, 482 pages

one, both and neither at once". Farmer skilfully includes discussion on the innate divisions within people generally, an area that takes us into psycho-analysis. Carl Jung talks of "meeting one's own shadow", a journey "full of unprecedented uncertainty with apparently no inside and no outside, no above and no below, no mine and no thine, no good and no bad".

Shadows, and darkness, cast their pall over this book, which convey the sense of introspection and loss which Farmer must have felt when writing it. There is a section about "separation and death", and hatred between twins, and the book is peppered about freak twins

through the ages.

One turns for relief to the section on the "useful" aspects. This turns out to be about ways the Nazis used twins in genetic experiments. It contains cheery information about twins' susceptibility to tuber-culosis and diabetes. About the best anyone has to say about twins generally is that they are a natural experiment which "permits us to distinguish between the influences of

heredity and environment". The book is not a jolly read. However, the insights make it worthwhile. Farmer's central thesis is that twinship is in as all; sadness easily turns to joy. hate to love. As another contributor puts it, "each demon is countered by an angel . Paradox is everywhere; understanding it makes life worth living.

Peter Marsh

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# Vengeful queen of the dacoits

Joan Smith on the uneasy story of India's most celebrated outlaw

Phoolan Devi, the girl from Uttar Pradesh who became the leader of a band of dacoits, opens with a scene from her marrage. Phoolan has been locked in a cowshed by her new fisher-in-law, after threatening torun away. She is 11-years-old and unable to understand the niture of the "game" which her husband, a widower three times her age, is offering to teach her.

The problem with this opening is that it depends for its effect, like certain forms of pornography, on a combination of the child's soon-to-be-shattered gnorance and the readers dult realisation of what the 'game" will turn out to be. If this is Phoolan Devi's own story, told to counter the lurid myths that have grown up about her, why begin with a vignetic whose themes are violated innocence and the threat of sexual violence?

ace to

The answer is that this is not an autobiography in the usual sense; Phoolan Devi is illiterate and the book has been put together by two writers, Marie-Thérèse Cuny and Paul Rambali, using a 2,000-page transcript of Phoolan Devi's tape-recorded account of her own life

The events they describe are a dramatic and frequently sick-ening account of how a low-caste girl was married off by her poverty-stricken parents, who were unable to protect her when her husband broke his promise not to impose a sexual relationship on her until she reached maturity.

Shunned in her native village when she finally ran away from him, Phoolan Devi found herself treated as something less than a prostitute; constantly vulnerable to ambush by men who had heard that

5

he autobiography of Phoolan Devi, the girl from Uttar Pradesh who became the leader of dacoits, opens of dacoits, opens

This bizarre turn of events was quickly followed by another disaster. Vickram Mallah was murdered by a rival bandit chief, his one-time mentor, and without Mallah's protection Phoolan Devi was gangraped by his rival's henchmen. After this terrible experience,

I, PHOOLAN DEVI: THE AUTOBIOGRAPHY OF INDIA'S BANDIT OUEEN

Phoolan Devi with Marie-Thérèse Cuny and Paul Rambali Little, Brown £18.99, 472 pages

once again displaying the resilience which is obviously a cornerstone of her character, she formed her own gang of dacoits and went on a three-year rampage which turned her into India's most celebrated outlaw. Finally, with her gang

dwindling in numbers and continual harassment from the police, Phoolan Devi negotiated her surrender with the Indian authorities. Although she was never tried for her activities as a dacoit, she remained in prison for 11 years, emerging to find herself the focus of intense interest from journalists and production companies, one of whom made a film – which Phoolan Devi reputedly did not like –

based on her experiences.

This book is intended to put the record straight and comes with Phoolan Devi's endorsement: "Too many lies have been told about my life. I cannot read or write, so others have chosen to do so for me. This book is made up of my



Phoolen Devi: her remarkable story would have been better served by a scrupulous biographer

words - my truth about myself". It is a testament, she believes, of courage and of hope, especially for other low-caste women. "I was born an underdog", she says "but I became a queen".

This quote alone is sufficient to illustrate the problem with the book, which is that it gradually turns into another species of myth-making. The early chapters, in which Phoolan Devi describes growing up among people constantly open to exploitation by their richer and more powerful neighbours, are vivid and moving. They are also infused with a surprising degree of political and even feminist consciousness: "I was

discovering piece by painful piece how my world was put together: the power of men, the power of privileged castes, the power of might. I didn't think of what I was doing as rebellion; it was the only means I had of getting justice."

Later, when her career as a dacoit was at its height, Phoolan Devi describes how she put this philosophy into practice. Rampaging into villages with her armed followers, she hunted down men against whom she had a grudge - or total strangers, who were alleged to have committed rape - and battered their genitals with the butt of her rifle: "I laughed to see them leap like

castrated horses and fall at my feet and cry like women, begging and pleading for mercy". Elsewhere, she boasts of cutting off hands and feet. "It was my vengeance", she insists, "and the vengeance of all women". This makes uncomfortable reading and it also raises the question of objectlyity. How much of this highly coloured account is true, how much a revenge fantasy? It is impossible to know because L Phoolon Devi is, in the end, not so much genuine autobiography as an uneasy compromise. Her cause, and her remarkable story, would have been better served by a sympathetic but scrupulous biographer.

Rereadings/Don Cupitt

# Matters eternal

n 1978 my life was changed by an experimental rereading of Kierkegaard's Purity of Heart, but whether the change was a significant advance or a disastrous fall I don't know, and you must judge.

During the years of his most intense productivity in the 1840s, Klerkegaard, in addition to his steady stream of "aesthetic" works written under various pseudonyms, also wrote some 20 "edifying discourses" under his own name. These are unpreached sermons addressed to "the solitary individual" who is advised to read them slowly aloud to himself. The texts are designed to prompt the reader into becoming an individual self before God.

Purity of Heart, an exercise in Lenten self-examination, was published in 1847. The date indicates why Kierkegaard remains so very important to someone like me. He was the last traditional western Christian thinker and writer of the very highest rank, and he was also a member of the first modern generation, the first generation of people who could read at their breakfast table a newspaper printed the previous evening on a steam press in the capital city, and distributed around the kingdom by steam train during the night. The 1840s was the decade of the masses and of revolutionary atheistic humanism, and Kierkegaard is setting out to oppose it by holding out for the unconditional primacy of

individual seifhood before God.
After the second world war
Kierkegaard's concerns
suddenly seemed relevant,
even in the English-speaking
world. Translations appeared,
and were widely read. My
American paperback of Purity
of Heart is to Will One Thing is
dated 1956, and I well
remember reading it as a
devotional work in my student
days.

Like everyone else at that time, I took Kierkegaard to be an orthodox western Christian – the last and the best, the one from whom there was most to be learnt.

Twenty years later, however,

the situation had become very different. The fully-developed media society had arrived. The old metaphysics of God and the old religious selfhood had suddenly faded. At the end of the 1960s I heard the best of the new "secular Christians", the American radical theologian Paul van Buren, say that the idea of God might work just as well and might have all the same effects in

but simply as an ideal.

That remark stuck in my mind, as did also Ninian

Smart's observation that many

human life if we thought of

God not as a personal being.



of the things that are said about God might equally well have been said about faith in God. It is not so much God himself, but rather simply faith that is comforting and powerful, that moves mountains and is central to our life, and that is such a consolation in adversity.

Thoughts such as these grew

stronger during the 1970s, and finally prompted a reading experiment. Kierkegaard is after all a modern writer. He has no metaphysics of God, and Purity of Heart is not in fact a book about God but an exercise in religious subjectivity. Perhaps for Kierkegaard God is not an active personal Being, but simply an ideal? Perhaps when I look at God I am like Rembrandt looking into his mirror: I learn to look at myself as if from the standpoint of eternity, and to

see myself as I really am?

Perhaps God is not, never was.

a Being, but rather is something more like a standard by which to examine oneself and a mirror in which to see and become oneself?

to see and become oneself?
So in 1978 I read
Kierkegaard's text afresh in
the light of this idea. I was
doing something very like a
scientific experiment, trying
out a theory against the
textual facts. I was checking
whether a great text really
made sense, better sense, in
the light of a new "non-realist"
theary of God

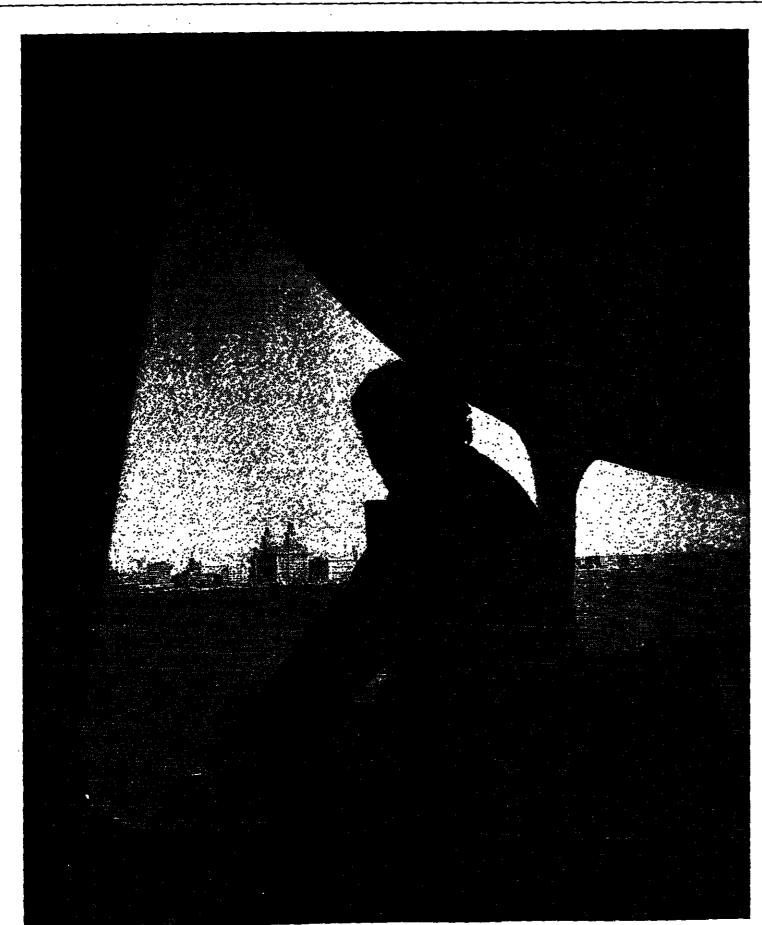
theory of God.

And it worked, with a bang. I felt that scales had fallen from my eyes. I understood better than ever before how Kierkegaard's text actually works to create its own fit reader, and how it might be possible to continue to be a religious person in a secular humanist world. In Kierkezaard's text God is not an active Being, but is "the Eternal". God is like one who is dead but is still venerated. The dead person is constantly, silently present with us, acting as a reference-point and as a standard to be lived

I was changed. Over the next few years I began to elaborate and to publish the new point of view. The results were pretty disastrous, on the whole, because religious truth is so very highly political. Ideas are not and cannot be appraised on their merits, but are simply classified as being conservative, liberal or radical, and then reacted to accordingly. There was little hope of getting my ideas discussed, or even understood. for many years. The church authorities, and the journals, rejected them out of hand.

Almost 20 years on, I would not now try to argue that I have found the "correct" interpretation of Kierkegaard. The best texts can be and are read in a variety of ways, and from many different points of view. But I am still grateful to Kierkegaard. He may be dead, but his texts are still alive, still changing.

■ Don Cupitt is an Anglican priest, and a philosopher of religion at Cambridge University. His latest book is "Solar Ethics" (SCM Press).



Thinker, tailor, screenwriter, sailor, rich man, foreman, businessman or comic? (It must be something in the water.)

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MERSETSIEE A'pool of talent

dolph von Menzel died in Berlin in 1905 at the age of 89, the most celebrated German artist of his time. The Kaiser, who was not the most advanced in his taste for contemporary art, graced the funeral with his imperial presence, a state affair in the Altes Museum on the Island of Museums at the heart of Berlin. It was a true apotheosis for an artist whose success had been as much European as German - after which he seemed to vanish in the aether to be all but forgotten, save by the specialist and the connoisseur.

It is a curious but not altogether uncommon story, for the vagaries of fame and taste are notoriously fickle and indifferent in their judgment, as likely to drown the good along with the bad. Menzel has certainly never deserved his comparative obscurity, and this choice show at the Musée d'Orsay is especially welcome. We may come away from it not perhaps with the sense of a great master rediscovered, but for all his limitations, decidedly

He was at one time held to be the German Degas, but he was never that. Both artists were realists in their different ways, and they have in common the quality of being in different aspects of their work at once old fashioned and very modern. But the problem with Menzel is really one of timing.

A full generation older than Degas and coming to maturity as an artist in the 1830s and '40s, he was still of a time when success was to be achieved in the Salon and the Academy, and the idea that History Painting was the highest form of the art was by no means dead.

Where Degas in Paris in the 1850s and early '60s would move away while still a young man from the historical subject and the influence of Ingres and Gerome to find his subjects in modern life, for Menzel in Berlin, such subjects and personal reputation were already fixed. Degas would live on to contribute positively to the modern movement as it developed in the final decades of the century. For Menzel it was just too late.

Just as with Géricault after David, beneath the genre and subject painter there was the realist waiting to emerge. It is to Gericault rather than to Degas that any useful comparison with Menzel may be made. For the seeds of modernism are to found in the romantic idea that the artist is not a public figure but an individual whose duty it is to

From this it follows that what the artist does, whatever he does, has its own worth and expressive validity, and that a private and informal interest, expressed in the most rapid or fragmentary sketch or study, may stand with the full machine. From Géricault's severed heads to Menzel's dead soldiers

is no great step. It is thus in the Menzel of the sketchbook and oil-study, responding immediately to what is beneath his eye, that impressive with him is the unblinking factuality of the study, matched to the brilliance of his draughtsmanship.

We may look at his genre and compositions of social scenes - the picnics in the gardens, the grand parades and glittering receptions - with interest and admiration, but it is the studies for them, the particular observation caught with astonishing assurance and facility, that take the breath away. Menzel is one of the truly great draughtsmen of the European 19th century, and the equal of any in this respect, even



# An intuitive eye

William Packer admires the drawings of Adolph von Menzel

But it is not just his virtuosity that marks him out. What leaps out at us across a century and more is the sense we get, which even the finest photograph can never quite achieve, that this is what the things - a woman in the street, a plate of oysters, some bits of armour, a decaying corpse - were really like. With the camera there is always the intervention of a process and contraption. It is a quality peculiar to naturalism in painting and drawing, but

approximation will never do. There is, rather, the most critical selection to be made, decisions, decisions, and all come to by the mysteries of the educated intuition. The eye is wrought up to an almost feverish intensity of scrutiny, and it takes only the most subtle and brilliant of hands to register what it sees, and indeed feels,

only of the most particular and finest kind, for while all drawing and painting is to some extent approximation, mere for the eye can feel. This is the neurosc du urai, the desperate, almost neurotic searching after truth of this exhibition's title. And it is what makes Menzel so very modern after all.

> Menzel - the neurosis of truth: Musée d'Orsay, Paris 7, until July 28, then on to the National Gallery of Art, Washington and the Alte Nationalgalerie. Berlin. Sponsored in Paris by Framatome.

Radio/Martin Hoyle

# Handle with care

or a moment it looked as if Radio 4 had changed its spots; but no, that little patch of England that remains forever the 51st state has reverted to type. We have had both Book at Bedtime and The Late Book hailing from across the Atlan-

The latter was Skin Tight, described by the Radio Times as a "cult" thriller. This word is usually a sheepish cop-out for the obscure, inept or vulgar; though an attempt at stylishness was made by punctuat-ing the reading with bursts of the sort of music often associated with the brasher news bulletins on commercial radio.

Who choses these books, and why? The selection of Walden's Thoreau is understandable as a classic (Book at Bedtime). but what criteria are applied to a half-hearted sub-Tarantino send-up that never quite makes up its mind (in this production, anyway) whether it is satirical or serious? As Sir Thomas Beecham immortally observed, we have enough British mediocrities without importing foreign

But then quality must be handled with care in case it looks esoteric or elitist. Dilettantism, or at least the decently unflashy, is the order of the day; hence the emergence of the all-purpose pundit. Journalist Mark Lawson not only chairs Vice or Virtue (Radio 4), conversational arabesques on morality, with eminent adequacy; he also guides Radio 3's Signs of the Times, a discussion programme which,

according to the portentous Radio Times, uncovers the social, ethical and cultural hinterland behind the issues of the week".

Oh dear, Last Saturday a very un-Radio 3 mentality trotted out the forry chestnut that the lottery was a tax on the poor to subsidise the pleasures of the rich, ignoring the fact that this is a tax imposed on nobody except those gullible or greedy enough to volunteer. conversation

touched on pork-bar-relling and politicians who plead their local interests. This may be what prompted Tessa Blackstone to name as her heroine of the week a soprano currently singing at Covent Garden, an institution on whose board of governors Baroness Blackstone sits (without however revealing the fact to the listeners). Is the BBC moving with the times by serving up subliminal PR? Anyway, the programme compares unfavourably with Any Questions? And, as Wilde (a sound-bite man before his time if ever there was one; how he would revel in today's media scene) might have remarked, if Radio 3 does not

make us feel inferior what is it On Wednesday night, when Radio 4 doubled the day's Lawson quota by serving up Burning from Atlanta, Mark Lawson reporting in his pleasantly non-challenging middlebrow way from Georgia. I wondered if someone had confused him with Nigella, another prolix pen-pusher with a reassuringly familiar name though a differ-

ent hair-distribution. The difference between our new self-effacing accessibility and unabashed expertise is illustrated by A History of Britain in Six Menus. Radio 4 in unashamedly esoteric mood, the series got off to a cracking start with a turd expert; in archeologist, that is, whose forte is analysing society's astronomic habits, and much else, from the waste found on the sites of ancient civilsations. When asked why he concentrated on this field of study he replied he lived in York adding hastily that the dty was built on several feet; of excrement. He did not tay whether he came from Laga-

shire. The series' opener recenstructed a Roman banquet, ks climax was the excited presqutation of a genuine spoute with which the Romans wind their bottoms (all this only Sunday - and before lund. never mind the watershed The second programme reviated an Arthurian feast an was necessarily vaguer, histo-

ically speaking.
Fascinating to hear tha English cuisine had a reput tion for subtlety and tha puddings or "afterments" were a speciality even in the dark ages. And, reversing cultural stereotypes, how eating horses was banned by the papacy and generally associated with pagans. Watch this space for the changing historical role for cows in culinary history.

enmark's Theater La Balance specialises in creating work of particular relevance to young people; the company tours Britain this month as part of the first "Out of LIFT" season with Cordelia. director Marc van der Velden's rewrite of King Lcar.

Van der Velden's intention

is to address the issue of young people caring for their elderly parents; consequently, in his version of the Lear story Cordelia takes the place of both the Fool and Kent, disguising herself in motley to accompany Lear once he has been spurned by Goneril and Regan. Lear himself assumes the additional role of Gloucester, blinded by Edmund and bent on throwing

himself off the cliffs at Dover. Conflating Shakespeare's characters creates as much narrative complexity as clarity. Having excised Gloucester, Van der Velden is deprived of half his opportunities to explore filial piety or ingratitude: Edmund is as villainons

# Theatre family

as ever, but has no family to portray other than his elder half-sister Emilia (the character formerly known as Edgar) Cordelia's lady-in-waiting, who, in a packed agenda. alternates between posing as the Bedlam beggar Poor Tina and mustering an army to restore Lear to the throne, culminating in her Kendo-style duel with Edmund.

What remains is a produc-tion - played in traverse at the Young Vic, with actors delivering almost as many of their lines in English as in Danish - of stark, striking visuals, some able performances (Henriette Rosenbeck as Cordelia at times overshad-

owed by the Björk-like Anne-Karina Nikolajsen who, in a further complication doubles as Emilia and Goveril), some not so fine ones (Tage Larsen rumbles a lot as Lear, Mikkel Haarder Munck-Hansen's fluent English serves mostly to show up his one dimensionality as Edmund) and a final surprising twist

However, Van der Velden's remoulding of the story with the goal of pointing up familial duties between generations shows no net gain; for every point at which the family focus is tightened, an end flan loose somewhere else, usually to be tucked away harriedly under Emilia's skirts, so to speak. Cordelia works as drama in itself, and (just about) as a version of King Lear, but - to be frank - so

# Ian Shuttleworth

At the Newman Room, Oxford (01865 798600) and June 25-28 at Newcastle Playhouse (0191

Television/Christopher Dunkley

# Rock, rhythm and blues

ock music means The Beatles and the Perhaps Elvis had something to do with the early days and Jerry Lee Lewis may have sent it into its first earth orbit with "Whole Lotta Shakin' Goin' On", but rock and roll is essentially a white refinement of black music.

It is a form in which the British - somewhat surprisingly given their reputation for reserve and rigidity - have shown themselves again and again to be world leaders. Britpop rules OK? No, not OK. cing In The Street: A Rock And Roll History is proving to be a 1996 version of the Damascus Road. By providing a coherent account of rock from the earliest days it is enabling you to open your eyes to the

As last week's introductory episode of this outstanding series vividly illustrated, the truth is that rock and roll came out of the Mississippi delta, and it was a black phenomenon. We all know that white English boys, many of them art students, borrowed wholesale from black American artists and frequently got into the hit parade with cover versions of songs that had sold only a few thousand for their black originators.

But this programme, coming 45 years after the birth of rock, is able to take a long enough, broad enough view to allow you to see where the real tal-ent and - essential to rock and roll - the real guts were. From Fats Domino to Bo Diddley, from Chuck Berry to Little Richard, the true originators were black.

Some will say that this is worse than a simplification, and, to be fair, the (mostly implicit) editorial line of Dancing In The Streets would not go this far, asserting instead that rock and roll - another black slang term for sex, like "jazz"

rhythm and blues and white had to decide what to exclude, country and crooning. My point is that this series has so many key examples in it, and is so clear in its chronology and its tracing of who influ-enced whom, that it gives you the opportunity to work out which particular bits of the twisted strand of rock music you really like.

My own answer, to my considerable surprise, is that rock and roll might have been better off without any of the effete British contribution and without any of that fey folk-rock stuff introduced by Dylan, Joan Baez and the flower children. Their malign influence can be seen in next week's epi-

oday's programme dis-plays the true heart of rock music that would still have existed without all that an American art form coming down through black gospel singers via blues men such as Howlin' Wolf and Muddy Waters, who were featured last week, to such groups as The Shirelles, the Dixie Cups and The Crystals. Listening again to "Da Doo Ron Ron" - arguably the greatest pop

song ever - you realise what a chasm divides American from British rock. The Beatles were hugely popular, but in musical terms what has British rock ever offered which could stand alongside Tamia Motown or the Phil Spector wall of sound? Somewhere in Dancing In The Street someone compares the Spector sound to Wagner and, in terms of sheer visceral impact, it is a perfectly reasonable comparison.

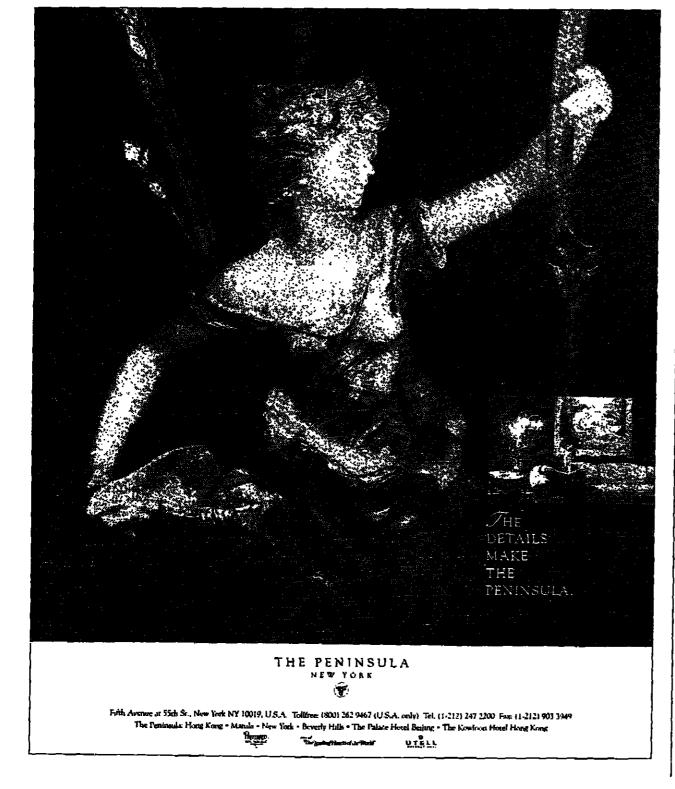
Most producers of documentary series face the problem of where to find material to illustrate their programmes. But there is so much footage connected with rock music that Hugh Thomson, producer of Dancing In The Streets, and his researchers, must have had the - was a marriage of black opposite problem. They have

and some viewers will be surprised at their decisions. No Bill Haley? No Big Bopper? No Gene Vincent? No Everly Brothers? Perhaps (though it seems unlikely) they will turn up in later programmes - there are 10, each lasting an hour, so there is a wealth of material

Most impressive of all is not the archive selection, rich though that is, but the spe-cially shot interviews. From Little Richard magically reproducing the rhythm of the trains outside his childhood home to Ginsberg deconstruct-ing "Eleanor Rigby", from head Beach Boy Brian Wilson describing the first time he heard the Ronettes singing "Be My Baby" (he nearly crashed his car), to journalist Al Aronowitz describing how Dylan rolled a joint for John Lennon, who passed it to Ringo who "smoked it like his own cigarette" - the implication being that this was the first time the Beatles had ever turned on - it is a treasure house of memories from our own lifetimes.

aturday night televi-sion is usually bad enough at the best of times, and in high sum-mer it tends to be the pits, but this year, for ten weeks at any rate, there is going to be one hour on BBC2 on Saturday nights which is going to be compulsory viewing for many





# Corporate art goes avant-garde

Lynn MacRitchie finds uncompromising pictures hanging on the walls of a city law firm

corporate art collection inevitably makes a statement about its owner. Usually, this reassures reminding clients and emoyees of the company's succe its position secure enough to son the harsh edges of business w. culture. In corridors and confeace rooms, clients may admire patings or sculptures which may bontemporary but are never contrersial, while behind the scenes, sf feel valued as they enjoy their lch breaks in a specially designed

he Canary Wharf offices of the edit Suisse bank, with conference m wall drawings by Sol Lewitt il works by Tony Cragg, Michael eber, Gabriel Orozco and others d a colourful staff restaurant signed by Bruce Maclean are an mient and successful example of

is approach. Clients and staff of Simmons & mmons, corporate lawyers estabshed in the city a century ago this ear, are in for a rather different xperience. Raising their eyes for espite during a difficult meeting hey may find themselves gazing at ingus Fairhurst's large colour phoographs of the back of Damien Hirst's neck, or at Abigail Lane's over his muzzle in moody black and

"Made in London," the contemporary ari collection assembled for the firm by Stuart Evans, one of its corporate finance partners, is a col-lection with a mission. "The title is almost a manifesto," comments Nick Serota, director of the Tate Gallery and one of its admirers. "It raises questions about the impor-tance of British art today." Stuart Evans himself, noting that "British people think art is some kind of con trick," declares that he would love Simmons & Simmons to be seen to be "part of the debate about con-

temporary art."

Unusually, Simmons & Simmons did not employ art consultants or appoint a purchasing committee when they decided to begin to buy art some 10 years ago. Instead, they entrusted the acquisition entirely to Evans. Passionate about art since his schooldays (his enthusiasm encouraged by an understanding art master, William Feaver, now art critic of the Observer), he was already collecting "art done in my lifetime" for himself, and began buying for the firm with small pieces by Bell, Bomberg, Fry and burg, all safe and established stuff.

Then, with the young art dealer Thomas Dane, Evans began an odyssey through the studios of the new generation of London-based artists such as Matt Collishaw, Peter Doig, Tracey Emin, Michael Landy, Abigail Lane, Flona Rae, Georgina Starr and Mark Wallinger among others. He became passionate about what he saw, and deter-mined to support it. The work was difficult, but in the way rewarding things are, bringing different ways of looking at the world," he explains. When in 1994 the firm decided to construct a new suite of conference rooms. Evans took the opportunity to begin to buy this

new and uncompromising art. "What is unusual is that Stuart has not played safe," Nick Serota explains. "The characteristic corporate collector goes to the Cork St vendors and buys prints. He has gone to the artists and played a hunch that this is an important moment in British art and bought original works. He clearly feels personally excited about it." He clearly does. For Evans, artists are "like Old Testament prophets, swimming against the tide, from a position of

murderous looking pit bull terrier, Redpath and prints by Hodgkin and considerable vulnerability, because photographed straining menacingly Kossoff, Lichtenstein and Oldenthink that's worth investigating . . . His genuine enthusiasm has not

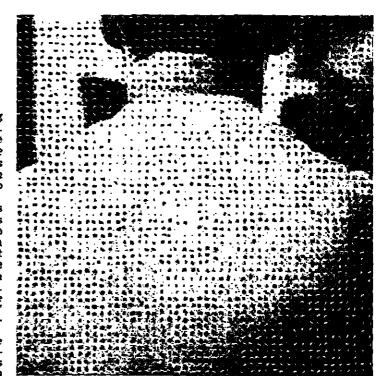
obscured Evans' eye for a good deal. "Two and a half years ago was a good time to be buying. Major work was obtainable for less than outrageous prices, and galleries and artists were keen to do business..." he recalls. "When people heard you were in the market, good opportu-nities arose." Nick Serota confirms this. He has built up a collection, on a modest budget, that anyone would be proud of."

ow, visitors waiting to be taken to their appointments sit beneath "TV Room 111," 1992, two monochrome paintings by Paul Winstan-ley of blank television sets, and a large white and bronze abstract by Nicholas May. Clients on their way to the conference rooms, each dedicated to work by one artist, pass down a corridor full of surprises. Paul Graham's "Television Portraits", colour photos of a toddler and a voung woman in an ordinary living room slumped in front of the TV, have caused the most controversy. "I was accused of enlarging

my family snapshots and hanging them on the wall," Evans recounts. With characteristic robustness, he rose to the challenge, defending the work at the partners' daily lunches and bringing in Virginia Button from the Tate Gallery to lecture to staff about the collection.

As corporate lawyers. Evans describes Simmons & Simmons as "merchants of solutions. We have to achieve objectives for people in powerful positions, and they expect us to be able to deliver. Part of the solution can be looking at things in a way that hasn't been done before. The art that we show is compatible with what we are doing as a firm." It has also become a source of busi-

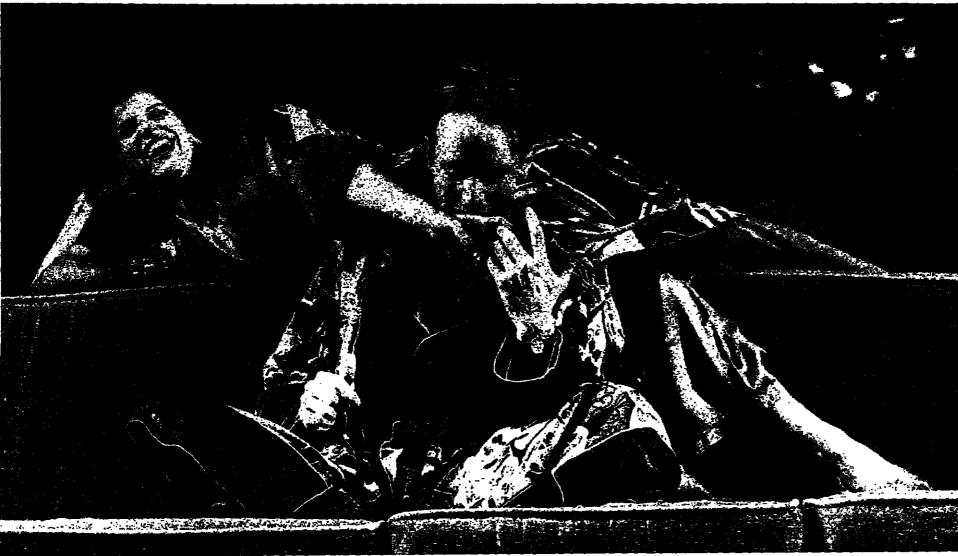
The firm has helped some of the artists with legal matters, sometimes accepting donated works as payment. And it has also become an adviser to the Tate Gallery on the financial structuring of its new gallery at Bankside. Evans' enthusiasm seems certain to ensure that Simmons & Simmons will maintain a dynamic relationship with con-temporary art and artists, an example Nick Serota would like to see spreading to other companies. "In the US, corporate collections are one of the ways artists sustain their



Zit attack: Angus Fairhurst's photograph of the back of Damien Hirst's necl

careers," he notes. Back in the conference room. Stuart Evans recalls how a fraught Railtrack meeting ended with the Angus Fairhurst photo piece knocked out of position and somewhat the worse for wear. "We've had some complaints - people don't like the zit (which features

Hirst neck)," he smiles. After restoration, carried out by the Tate, the work is now back in place, reminding those who see it that these days, such maddening, deadpan, clever and challenging art works have made London the cen-



Noèl Coward's cut-glass bickering and trivolous amorality is atways an audience tavourter. Simon Robson and Abigail Thaw as Elyot and Amar

# Theatre/Ian Shuttleworth 'Private Lives' played out of kilter

script is, the greater the commitment demanded of actors to their respective roles. This is most obvious in farce in general, and in the work of individual playwrights with distinctive voices: Wilde, for instance, Joe Orton, and Noel Coward. Private Lives has always been an audience favourite, with its cut-glass bickering and frivolous haut-monde amorality; it grants little freedom, though, for performers to stretch into their parts without undermining the poise of the play as

a whole, Mike Alfreds' production (the second in Method & Madness' three-show repertory season at the Lyric Hammersmith), has illicit laughs in all the old familiar places and succeeds also in modulating into a minor key for the reflective

passages of the second act, but is nevertheless subtly out of kilter. The most obviously discordant notes are struck by Simon Robson as Elyot. Much of Elyot's character is affectation, but paradoxically sincere affectation. Robson for the most part wears Elyot's mannerisms as casually as the gaudy dressing gown he sports

fend for themselves. Only

Truscott either feels a

John Alderton as Inspector

get up to any extra-mural funny business.

compulsion to or is allowed to

Alderton is conscious that

the show is being sold on his

name, and so perhaps feels

in Act Two. His flippancy is not so much defensive as adolescent; not to put too fine a point on it, he camps

s Amanda, the ex-wife with whom Elyot is unexpectedly reunited, Abigail Thaw reunited, August 1 man.
makes periodic forays down the same path, but reins herself in before matters get out of hand. During the role-playing exchanges in the Parisian apartment to which the couple have fled from their separate honeymoons, Thaw's Amanda may

is clearly indulging herself for a few moments only: Robson's Elyot never

Geraldine Alexander, as Elyot's deserted second wife Sibyl, makes a pleasing if shallow little blonde mouse, building to a strangled crescendo in the play's final exchange; strangulation is the key note of Martin Marquez's performance as Victor, leading one to speculate on the severity of the character's toilet training as a child. In general, the quartet of players seem on the young side for their roles
- the incongruity is not obtrusive,

Gertrude Lawrence hang heavy over Elyot and Amanda. at several points, but nowhere as perversely as the very final moment: having Elyot and Amanda discovered in an embrace rather than letting Sibyl and Victor find that they have silently fied is all very well in terms

in repertory at the Lyric Hammersmith, London W6, until July 27 (0181 741 2311).

Rebecca Lacey as the

murderous nurse Fay

McMahon, who oozes the

sashays across the stage.

his character's anguished

inability to lie when

deadliness of the female as she

Ifan Meredith is an unshowy

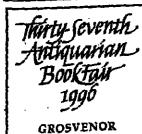
Hal, declining to make much of

Alfreds also tinkers with the script

of resisting a formal closure, but it most decidely ain't Coward.

# 'Loot' with a slice of ham

Thile Phil Willmott prats about with Joe Orton's Funeral Games at the Drill Hall. Alan Strachan's production of Loot serves as a timely reminder that Orton's scripts are more than able to



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that you would hardly know.

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least: as well as Truscott of the Yard, Loot boasts a devout justified in working in a number of sight gags - getting trapped in a wardrobe, nibbling on a hard boiled egg Catholic rose-growing widower, a serial-killing nurse. a pair of bisexual bank robbers Such tricks do little to point and a corpse who sees more of

up the eccentricity of the her house dead than she had character - after all, everyone done alive. Truscott himself, as he in Orton is eccentric to say the scours the house for clues to the bank job, maintains almost until the end that he is an employee of the Metropolitan

> arrest he refuses to Orton's drama depends on the extent to which his characters unquestionably accommodate one another's more exotic traits; if they were

Water Board, whose powers of

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not able to discuss matters like the concealment of £102,000 in a funeral casket with such sang-froid, the shocked thrill which is his stock-in-trade

Everyone in Joe Orton's play is eccentric to say the least

would dissipate. Alderton's little extras come close to downgrading Truscott into a mere pompous buffoon; luckily though, he stops just this side of disaster. For the most part he looms and lurks with appealing menace, rumbling his lines with a kind of weary dyspepsia, although he wastes several gags by the

insertion of unnecessary Michael Foot-like hiatuses in mid-sentence The rest of the cast do sterling work, especially

questioned by Truscott, and Mark Dexter gives Dennis a sardonic, nasal twang, but again refuses to overplay Alan Cowan as the widowed McLeavy supplies the voice of

horrified normality as events unravel around him, climaxing when he is led away in the handcuffs with, "Oh, what a terrible thing to happen to a man whose been kissed by the

Director Strachan takes the play at a brisk but not frenzied pace; the occasional creak, and the odd slice of ham from Alderton do not derail his good solid revival.

I.S.

At the Churchill Theatre, Bromley, until June 22 (0181 460 6677), then June 26 to July 27 at West Yorkshire Playhouse, Leeds (0113

# A Life for the Tsar

Andrew Clark reviews a rare production of Glinka's opera

tides of Russian history of the past 150 years better than Glinka's A Life for the Tsar, which has just received a rare and highly persuasive staging in Zurich. It tells the story of Ivan Susanin, a 17th-century peasant who sacrificed his life to help establish the Romanov dynasty under threat of foreign invasion. Premiered at St Petersburg in 1836, A Life for the Tsar was the earliest operatic manifestation of national-

That was its chief claim to fame throughout the 19th century, and also its undoing. By the end of the century, Russia's liberal intelligentsia had egun to raise doubts about Susanin's example of unblinking loyalty to the Tsar, and after the 1917 Revolution the libretto was doctored to express a more abstract form of nationalism. Although A Life for the Tsor was the first Russian opera to be performed abroad, its subject-matter has always limited its appeal, and in the postwar operatic boom it has been overshadowed by more sophisticated Russian Successors.

To western ears today, A Life for the Tsar works precisely because of its honest charm and the transparence with which it reveals its sources. You cannot mistake the "Rus-sian-ness" of the folk melodies and soulful choruses, but they get crossed at every turn with the foreign influences Glinka picked up in Milan and Berlin. The grand tableaux and woodwind colouring owe something to French tradition, while the vocal parts are decorated with Italianate touches - and there is even a whiff of Weber in the fleet Act 3 string lines. The result lacks the epic scale of Musorgsky or the integrated quality of Rimsky-Korsakov's best efforts, but there is no doubt who was the trailblazer.

The success of the Zurich production stemmed from Vladimir Fedoseyev's idiomatic conducting, the engagement of a chorus from Sofia and the casting of the Finnish bass, Matti Salminen, in the title role. Thanks to Fedoseyev's careful preparation and inspirational podium style, the per-formance had an overwhelm-

o opera reflects the ing coherence and refinement. With his Kitezh at last summer's Bregenz festival still fresh in the memory, Fedoseyev is proving to be one of Russia's most valuable musical exports.

Even without Russian singers, the decision to sing in Russian gave the performance welcome authenticity. Salminen's bear-hug of a voice, allied to his giant stage presence, brought to mind his well-practised Boris - he even looks like a Tsar - and yet he was wholly convincing as the simple, courageous family man who wants to serve his country. There was no scooping up to the note, a habit that has marred some of his German roles, and he brought a bel conto supplenes: to the elegiac farewell aria in Act 4.

🧻 he trouser part of Vanya, Susanin's adopted boy, was radiantly sung by the house mezzo. Cornelia Kallisch, while Peter Straka's Slavic tenor was well suited to the headstrong character of Bogdan Sobinin. The only other principal role is Susanin's daughter, Antonida, which the Georgian soprano lano Tamar sang with gracious

aplomb. By sticking to essentials, Alfred Kirchner's staging kept the narrative admirably clear. Bernhard Kleber's decor - a broad central catwalk with pictorial flats and dropcloths left the chorus on the sidelines but gave a strong sense of place, notably in the magical snowscape at the start of Act 4. Unusually for a German pro-ducer, Kirchner judged the light-hearted moments faultlessly, lacing the Act 2 ball with sexual innuendo and steering clear of folksiness.

The production's finest moment was the closing tableau, in which the crowd rejoices with a hymn in praise of the Tsar. Kirchner gave this a deliberately hollow ring, by leaving Susanin's family centre-stage with their heads bowed in mourning: loyalty to the nation state is all very well, but the personal cost is dear. How far this moral can be applied to the 20th century, we were left to ponder on our

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Soccer / Peter Aspden

# England's feelgood potion

exasperated world that football is all about goals, they are not making quite so obvious a point as might appear. For the scoring of a goal does not only turn a game; it can transform the mood of a side and, as we are now seeing, even alter the psychic well-being of an entire nation

It was, inevitably, England's Paul Gascoigne who rediscovered the intoxicating mix of audacity, desire and skill which has brewed into the most potent of feelgood potions. True, England had stepped up their game at the beginning of the second half of last weekend's game against Scotland, but that did not hide yet another laboured performance against a mediocre side. Until that

It took just two touches, one deft, the other explosive, and an outrageous imagination. Gascoigne never stopped running after hitting that perfect volley past Andy Goram; until he suddenly remembered that he had an appointment with his teammates beside the goal. He collapsed backwards and waited for his comrades to squirt water down his throat, in a satirical re-enactment of the infamous dentist's chair episode. It was an exorcism. All the pressure, all the silliness, all the self-doubt were gone in a single moment of cute mavhem.

With Gascoigne's goal, England

could at long last puff their chests out. Not out of the usual blind patriotism, but true footballing pride. It was a sublime sporting moment. It was the reason Wembley was packed, the reason millions were watching on television. The correspondent of Italy's La Gazzetta dello Sport, notoriously niggardly with praise, compared Gascoigne with Pelé; a diagram was drawn to analyse the move in detail. England, such inhibited hosts, had at last

joined in their own party.
England coach Terry Venables recognised the surge of confidence in his side. But confidence alone does not win matches. Some more tactical tuning was needed for the Holland game. Keep Steve McManaman on the right, where he looked so much more comfortable, ask Teddy Sheringham to come that little bit deeper, where he could use his shrewd sense of angles and sure touch to greater effect, and point Gascoigne in the direction of the

opposition goal, wind him up and njoy. England's demolition of Guus Hiddink's complacent side on Tues-

day was shockingly good. From the

more relaxed team, moving with great intelligence and fizzing the ball around. With virtually his first touch, Alan Shearer blasted a half volley on the turn from a corner to announce his intentions; it was cleared off the line.

Paul Ince - the defensive anchor of the side, remember - performed an impertinent sleight-of-foot out of the Roberto Baggio book of ponytail pranks to win England a penalty. ed deceptively into the corner of the net to make it 20. The third goal was a masterpiece of an attacking

And then one of the most revealing moments of the match: Shearer racing back 50 yards to close down Clarence Seedorf when an England attack had broken down with Gascoigne and Ince committed forward. The exuberance, the energy, the reading of the game contrasted starkly, almost embarrassingly, with Holland's sullen attitude.

Venables's most urgent task for today's confrontation with Spain is to keep those sparkling feet on the ground; and win the tactical battle

England all over again. Last week I warned of the dangers of national stereo-types; but it is still sobering to write of the adventurous English

needing to steady themselves against the dour, solidly built Spaniards. They are tough, but beatable. And their notoriously strong defence will seldom have come across such a steely adversary as Shearer, whose physical skirmishes with Winston Bogarde made the crowd next to the right-hand touchline wince on Tuesday.

England will face the winners of

quarter-final at Old Trafford if they beat Spain. Do not expect a feast of attacking football. These are two sides that like to steady themselves before committing men forward. The breathtaking goals by Jürgen Klinsmann and Davor Suker which finally dispensed with Russia and Denmark respectively came significantly late in their games. Neither striker will enjoy such space tomor-

Suker's party-piece of a second half against Denmark at last lived up to pre-tournament hype; he had had a wretched game against Tur-key. He is certainly a dashing pres-ence in Euro 96, with his Lyle Lov-ett looks and deceptively laid back manner, dedicating the shot from 50 yards which just failed to beat Peter Schmeichel to "espectaculo and fair play". Croatia's player profiles point out that Suker "prefers to be dressed by Versace"; he will need all that flamboyance, and more besides, to outwit Germany's mean

Of the other two quarter-finals, it is nearly impossible to see Holland defeating a very strong French side

tomorrow's Germany v Croatia at Anfield today. Hiddink needs to gamble on Patrick Kluivert's fitness, and find some motivational skills somewhere. Seedorf, a key figure, looked particularly crest-fallen after Wembley's rout. France will bide their time, relying on the flair of their front three. They will need to push up on the Dutch defence to upset their opponents' rhythm; the Dutch will have to speed up that

rhythm from its present torpor.

Almost anything can happen between Portugal and the Czech Republic at Villa Park tomorrow. I get the feeling that the Portuguese have been a little patronised in this tournament. True, their fast-moving passing game (more Colombian than Brazilian) looks (ragile and tends to give possession away easily. But their defence, in which Fernando Couto has been outstanding, is getting better, and we have yet to see the best of Rui Costa. The Czechs have shown that they know how to finish, and will relish their unexpected progress in the tourna-

They too have shown what a goal can do. Pavel Nedved's relaxed finCzechs' fateful encounter Withill turned the game - and the bup

of death" - inside out. Immediately after Italy's dat. their coach Arrigo Sacchi deaed to talk of individuals, and then-troversial resting of Pierluigi (ir-aghi and Gianfranco Zola in pigular, preferring to blame the dat

In a sense, he was right. It ly took a moment of besitation in full back Roberto Mussi as the ilian defence sprung their offside p for the Czechs to strike. But Saji above anyone should know in Italian football in particular is about individual flair, was his not hauled through the 1994 We Cup single-handedly by Robe

Baggio? Sacchi's arrogance grew: a cou of days before the crucial mai against Germany, he reminded players that, Maldini apart, none them would be where he was wit out him. It was not the best piece psychology in the world. Faced wi taking a crucial penalty in the ear minutes. Zola's nerve failed him. As at Italia 90, as at USA 9 failure from the penalty spot undi ltaly. Sacchi would do well ti abandon his excessively labor atorial approach to the game and learn how to foster a nerveless confident mood in his undeniably talented side.

Remarkably, he could do a worse than watch England.

Cricket

# Forget Gazza, this is Dickie Bird's weekend

The crowd at Lord's stands to affectionate attention as England's most famous umpire says goodbye, writes Simon Hughes

t is hard to envisage one 63-year-old Barnsley man virtually unstaging the resurgent English football and cricket teams, but this is Harold "Dickie" Bird's week-

The most famous umpire ever is standing in his last Test match 23 years and 66 matches after his first, and the tributes and congratulations and telegrams have been flooding

Virtually every one brings a tear to his eye. But what the television documentary, the radio profile, the two books the anecdotes and interviews and farewells failed to emphasise was that Bird is actually

very lonely. He is a tragi-comic figure rather in the mould of his hero comedian Tommy Cooper who has nothing else to live for apart from cricket and he

admits it. "If after retirement I plonk myself into a chair and sit in front of the telly, I'll be dead inside 12 months," he said.

You can draw a variety of conclusions from his quirky dress sense, his patchy shaving, his nervous twitches, the regular sight of him dining alone in a fish and chip restaurant, but it is his incessant

balls, the advice to the fast bowler to "hoory up, we'll be 'ere all night", the booming announcement of "OVER ... LEFT HAND" all point to a man with no one to come home to or confide in or relax with. The game is his wife.

Twice during my playing career he stopped me in mid run-up. I was forging in against the wind once at Headingley when suddenly he stuck out his left arm. "Eee that man Boycott's joost arrived on't balcony," he said excitedly. "Look at 'im, 'e's got millions but d'yer know 'e keeps it all to 'imself. When he dies 'e'll 'ave his money buried with 'im. And I'll be the first to go and dig it oop."

Having once opened the batting together for Barnsley Cricket Club, they are actually very fond of each other. A year later, heavy rain delayed the start of a Benson and Hedges Cup match at Southampton.

Bird and I found ourselves killing time together in the pavilion health club, shuttling between the sauna and steam room and finally taking a jacuzzi which he clearly had not experienced before.

Having at last undressed down to his war issue Y-fronts,

The constant rabbit between off in the warm, frothy water. pads and walkie-talkies. After lunch the game began And the dreaded lightmeter. and soon it was my turn to

bowl at Robin Smith, primed and ready to fire. Half-way through my approach to the wicket out came his arm again - I assumed because the batsman was not ready or because he

Inevitably, the end of the heatwave with the first day of his last stand

had dropped one of the miniature red beer barrels he uses as

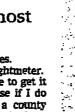
I came to a halt beside him and he said: "By 'eck it were grand in that booble bath wannit?" Two days before setting off for Lord's this week he went ritually through the paraphernalia all Test umpires have to carry these days. The lists of laws and playing conditions, bails, calculators, scis-

"I don't like to have to get it out," he said, "because if I do in a Test match or a county match, people say, 'You're here again Bird. Come along now. put that light meter away."

charm and eccentric humour is balanced by an infallible mag-netism for misfortune. Bad light, rain, bomb scares, the blinding glare from a nearby greenhouse: something will always materialise to force

responded to the inevitable groans from the crowd, "you need a plumber out there." So it was totally inevitable that the end of the June heatwave should coincide with the first day of Bird's last stand. As the heavy clouds rolled in he stared up at the heavens and fretted and muttered, brandish-

ing his umbrella. Temporarily he took refuge in the impire's cubicle beside the visitors' dressing room. A few well-wishers popped in to wish him good luck and he had



It is a faint hope. All his Bird to call a halt.

Even on a cloudless day Headingley some years ago he was obliged to bring the players off. A burst pipe was gushing out water right in the middle of Curtly Ambrose's run-up.

"It's not my fault," he



Harold 'Dickie' Bird: will draw stumps for the last time in a Test match when England play india at Lords this week

time to reflect on the transformation from working class lad and ordinary batsman for Yorkshire and Leicestershire to world renowned umpire and famed raconteur.

Trying the white coat on for size in 1967, on the advice of the Leicester secretary Mike Turner, saved him from the obscurity of earning a few pence pro-ing for Paignton in the south Devon league.

Now all of Lord's were standing to attention waiting for him. Then play started half an hour late and the teams formed a guard of honour on

the field as Dickie Bird outer", Bird commands the emerged, misty-eyed from a Long Room jammed with applauding members.

There was official talk of persuading him to stand at square leg for the first over, giving him time to recover his composure, but they need not have worried. He strode to his usual pavilion end and, fifth ball of the match, gave Mike Atherton out low without a trace of emotion, before indefatigably rejecting several other equally worthwhile

Although a famed "not

greatest respect from the wonderful bowlers he has so often denied. Dennis Lillee calls him "the ideal umpire" and Sir Richard Hadlee believes him to be "undoubtedly the best umpire

in the world". Ian Botham says that in his prime. Bird was probably the best umpire there had ever been. "He had great judgment could get a point over without being officious or demanding and, above all, was barking

When Atherton was batting

in a Test match last year, there was a brief hold-up when Bird dropped his counters. "I've lost me marbles, lost me marbles," he complained. "Dickie, we could have told you that years ago," the England captain

Wisely Mr H.D. Bird is :: retiring from Test cricket while he still has a few.

■ Free as a bird. The Life and ?? Times of Harold 'Dickie' Bird ... by David Hopps, will be = published by Robson Books (£14.95, 220 pages) next week. ...

Tennis / John Barrett

# Sampras dealt a tough hand

imbledon's 110th Champi-onship meeting, which begins at the All England Club on Monday with record prize money of £6,465,910, has dealt the defending men's champion. Pete Sampras, a difficult hand.

He opens against fellow American Richey Reneberg, a man who has beaten him before but never on grass, a surface to which Sampras was slow to adapt. That may be hard to believe when you realise that the 24-year-old champion is going for a fourth consecutive title, a feat last achieved by Bjorn Borg 17 years ago.
"It is true," Sampras said. "I found it

difficult to return the serve until I shortened my swing. It took a while, but now I feel completely at home on the surface." He will need to be if the young Australian Mark Philippoussis beats the Argentine left-hander Javier Frana to earn another crack at the champion.

Sampras lost to Philippoussis in the Australian Open when the 19-year-old played the finest power tennis I have seen from anyone, anywhere. He hit the world No 1 off the court in straight sets and never wavered. If I had not seen it I would never have believed it. Yet Philippoussis has done nothing of note since. That is the way in sport. Cloud nine one minute, up the familiar creek the next.

At least he is playing at Wimbledon this year. Twelve months ago his request for a wild card was turned down and he did not attempt to qualify. Since then he has refused a Davis Cup invitation for Australia. Philippoussis is being badly advised. Nick, his father, should have more sense.

Ahead for Sampras lies Cedric Plotine (16), the Frenchman who pressed Boris Becker to the limit last year, or Richard Krajicek of the Netherlands, who failed to get a seeding despite a ranking of 14. Beyond, French Open finalist and the 1991 Wimbledon winner Michael Stich (10) will probably lie in wait.

The Wimbledon seedings

(In draw order)

MEN: 1 P. Sampras (US) v.16 C. Pioline (FRA); 10 M. Stich (GER) v 17 R. Krajicek (NED); 4 G. tvanissevic (CRO) v 14 M. Rosset (SUI); 12 S. Edberg (SWE) v 6 M. Chang (US); 5 Y. Kafelníkov (RUS) v 11 W. Ferreira (RSA); 13 T. Martin (US) v 3 A. Agassi (US); 8 J. Courier (US) v 9 T. Enqvist (SWE); 15 A. Boetsch (FRA) v 2 B.

WOMEN: 1 S. Graf (GER) v 16 M. Hingis (SUI): 10 M. Maleeva (BUL) v 6 J. Novotna (CZE); 3 C. Martinez (ESP) v 12 K. Date (JPN); 13 M. Pierce (FRA) v 8 L. Davenport (US); 7 C. Rubin (US) v 15 L. Spirlea (ROM) 11 B. Schultz-McCarthy (NED) v 4 A. Sanchez Vicario (ESP); 5 A. Huber (GER) v 9 M.J. Fernandez (US); 14 A. Coetzer (RSA) v 2 M. Seles (US).

Thomas Muster, the world No 2, was seeded No 7 for the championships and said he felt slighted. However, an injury on Thursday in Halle has meant that Muster has had to withdraw.

In the semi-finals Sampras may again face the 6ft in Croatian left-hander Goran Ivanisevic, whose alliance with hometown coach Vedran Martic has allowed his natural talents to flower. He has the best serve in tennis but he faces the even taller Swiss No 1, 6ft 5in Swiss Marc Rosset (14), who is another

with a huge serve.

Then it will be either former champion Stefan Edberg (12), competing here for the last time, who plays Frenchman Guy Forget in the best of the first round matches, or the brave American, Michael Chang (6).

In the lower half, the Queen's Club winner Boris Becker (2) has been treated most kindly. The only fast court player in his section is the 1991 semifinalist David Wheaton. The American will probably fight it out with Arnaud Boetsch (15) of France for the right to play Becker in the fourth round.

Then it will be either Sweden's Thomas Enqvist (9), the junior winner here in 1991 who has since lost twice in the first round, or the 1998 finalist Jim Courier (8) who is not the force he was. As last year, Becker's semi-final oppo-

nent is supposed to be the No 3 seed. Andre Agassi, who played the most interesting match of last year's champi-

onships.
Whether Agassi is fit enough or match tight to proceed to the last four is a matter of guesswork. After losing unexpectedly to Chris Woodruff in Paris, Agassi disappeared from public view. He was probably fixing his wedding date with actress Brooke Shields. Todd Martin (13) is the man who might benefit from Agassi's poor preparation. If he does proceed to the last eight. Martin is cast to play either the new French Open singles and doubles champion, Yevgeny Kafelnikov (5), or South Africa's clever all-court player, Wayne Ferreira (11).

Kafelnikov is the first Russian to win a Grand Slam title and it would be no surprise if one day he succeeded at Wimbledon. He reached the last eight 12 months ago, but with the let-down that inevitably occurs after a big win, I expect to see him go out before the semi-finals. In fact, it would not be impossible for the British No 1, Tim Henman, to beat him in the first round. Henman will have put behind him last year's thoughtless act that led to his

suspension and has nothing to lose.
The British No 2. Greg Rusedski, has a dream draw - if he can make use of it. He first plays a qualifier, then the New Zealander Brett Steven or another qualifier. With the withdrawal of Muster, who he was expected to meet. Rusedski may once again inspire av: wave of patriotic fervour as he did last >

So dominant are the top four ladies that only injury is likely to prevent Steffi Graf (1) from facing Conchita.

Martinez (3) in the top half, and Monica. Seles (2) playing Arantxa Sanchez Vica-rio (4) in the lower. The danger for Graf. will be a potential meeting against Jana. Novotna (6) in the quarter-finals.

The athletic Czech should have :

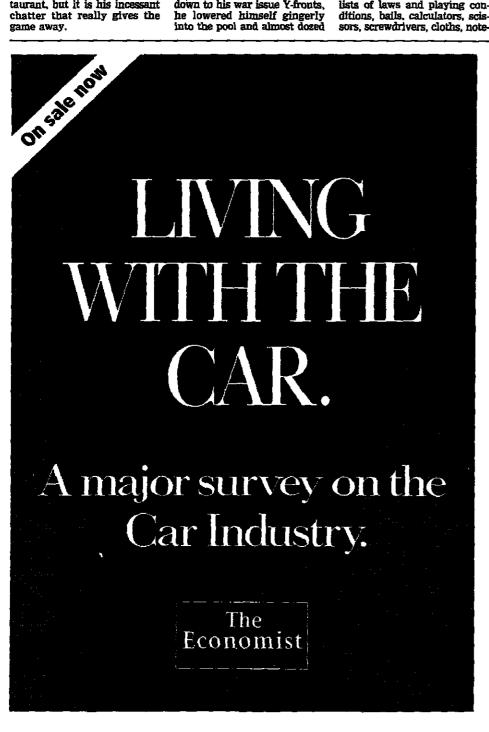
beaten Graf in the 1993 final and will be confident after removing Seles from the French Open in spectacular style : Although Seles admitted afterwards : that she was nervous and inhibited in Paris, I believe she will be prepared to go for her shots at Wimbledon after this-

week's outing in Eastbourne. On her first appearance since 1992 she should race past Amanda Coetzer. (14) and Anke Huber (5) to set up a 2 showdown with Sanchez Vicario. Before that the feisty Spaniard will have to be. at her best against Helga Schultz-Mc-Carthy in the fourth round and will ... relish the chance for revenge against ? Chanda Rubin (7) who beat her in a

nail-biting match in Australia. The problems for Martinez may be... Kimiko Date (12), who upset Graf in a --Fed Cup match recently, and Lindsoy Davenport (8), slimmer and more dan-

gerous than last year. As for the likely winners, it is difficult to desert Sampras, who is bidding for his eighth Grand Slam title, and is Graf for whom a seventh title would be her 20th major crown. That would overtake the total she shares with Helen Wills Moody and put her second only to ... Margaret Smith-Court who won 24. -With every passing year these two great. champions march ever further along.

the road to immortality. Ivanisevic profile, Page XVIII



# INTERNATIONAL ARTS GUIDE

# What's on in the principal cities

### **AMSTERDAM**

CONCERT Concertgebouw Tel: 31-20-5730573 ■ Metropole Orkest: and the Groot Omroeporkest with conductor Jan Stulen, soprano Marisca Mulder and baritone Huub Claessens perform excerpts from Gershwin's Porgy and Bess: 11am: Jun 23 EXHIBITION

Van Gogh Museum Tel: 31-20-5705200 Philipp Otto Runge and Casper David Friedrich. The Passage of Time: the first exhibition in the Netherlands to be devoted to German Romanticism. The display features paintings, drawings, watercolours and paper cut-outs by the two leading figures of this movement: Philipp Otto Runge (1777-1810) and Caspar David Friedrich (1774-1840). Most of the around 60 works are from the Hamburger Kunsthalle, which possesses the largest part of Runge's occure. There are also works by Friedrich on loan from Cologne, Dresden, Leipzig, Hanover, Frankfurt am Main and Vienna; to Jun 23 OPERA

Het Muziektheater Tel: 31-20-5518117 Otello: by Verdi. Conducted by Riccardo Chailly and performed by De Nederlandse Opera and the Koninklijk Concertgebouworkest. Soloists include Vladimir Bogachov and Vincente Ombuena; 7.30pm; Jun 24

# = AVIGNON

EXHIBITION Musée du Petit Palais Tel: 33-90 86

Deux Palais pour Rodin: part of a joint exhibition in the Musée du Petit Palais and the Palais des Papes devoted to the work of Auguste Rodin. The exhibits come from the collection of the Musée Rodin. This display features 60 sculptures; to

Palais des Papes Tel: 33-90 27 50

 Deux Palais pour Rodin: part of a joint exhibition with the Musée du Petit Palais. The exhibits come from the collection of the Musée Rodin. This display features 30 architectural drawings; to Sep 1

### B BALTIMORE EXHIBITION

Baltimore Museum of Art Tel: 1-410-396-6300 Grace Turnbull: exhibition devoted

White work of sculptor, painter, writer and social activist Grace Turnbull (1880-1976). In 1928 Turnbull turned to sculpture. Her principal technique was direct carving, both in stone and wood, although one of her sculptures best known to the citizens of Baltimore is the bronze "Naiad" in the square of Mount Vernon Place. The exhibition is organised in celebration of the centennial of the Maryland institute, College of Art's Rinehart School of Sculpture, and includes painting and sculpture by this 1911 Rinehart graduate; to Aug 4

### **BARCELONA EXHIBITION**

Museu Picasso Tel: 34-3-3196310 Futurism: exhibition featuring works by the leaders of this movement. These were the artists who signed the first Manifestos: Marinetti (Futurist Manifesto, 1909) and Boccioni, Carrà, Russolo, Balla and Severini (Manifesto of Futurist Painters, 1910). The exhibition also includes works by Depero, Sironi and Soffici. The display includes about 60 paintings and 30 drawings, as well as letters, photographs and books; to Jul

# BERLIN

CONCERT Konzerthaus Tel: 49-30-203090 Die Schöpfung: by Haydn. Performed by the Rundfunk-Sintonieorchester Berlin and the Rundfunkchor Berlin with conductor Rafael Frühbeck de Burgos. Soloists include soprano Helen Donath, tenor Hans-Peter Blochwitz and bass Wolfgang Brendel; 8pm; Jun 28

Berlinische Galerie -Martin-Gropius-Bau Tel: 49-30-254860 Anne Ratkowski – Eine vergessene

Künstlerin der Novembergruppe: exhibition devoted to the work of the German painter Anne Ratkowski, a member of the Novembergruppe, a movement of Expressionist artists formed in Serlin in 1918. The display includes still-lifes and portraits; to Oct

OPERA Deutsche Oper Berlin Tei: 49-30-3438401 Turandot: by Puccini, Conducted by Marcello Violti and performed by the Deutsche Oper Berlin. Soloists include Gwyneth Jones, Peter Gougaloff and Rolf Kühne; 7.30pm;

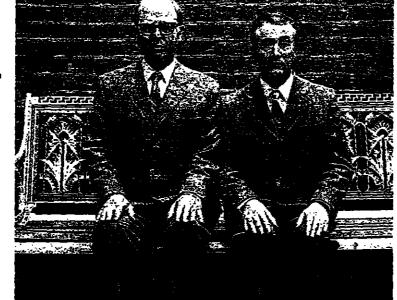
Jun 25 BILBAO

EXHIBITION Museo de Bellas Artes Tel: 4-4419535

Francisco de Goya: Caprichos: exhibition of "Caprichos", a series of 80 engravings by Francisco de Goya, in celebration of the 250th anniversary of the artist's birth; to Jun 26

**BOLOGNA** 

EXHIBITION Galleria d' Arte Moderna Tel: 39-51-502859 Gilbert & George: an Anthology: retrospective exhibition devoted to



Gilbert & George, contemporary British artists appearing in Bologna

the work of the British artist-duo Gilbert & George. The display Includes 100 large works from the 1970s to the present; to Sep 8

### **BONN** EXHIBITION

Kunstmuseum Bonn Tel: 49-228-776121

 Willem de Kooning: Das Spätwerk - Die achtziger Jahre: exhibition focusing on the work created by the Abstract Expressionist painter Willem de Kooning in the 1980s; from Jun 26

### BOSTON.

FESTIVAL Tanglewood Music Festival Tel: 1-617-2661492

Tanglewood Music Festival: the festival, in its 62nd edition, draws more than 300,000 visitors. In addition to the concerts of the Boston Symphony Orchestra, there are weekly chamber music concerts. Prelude concerts and Opera Rehearsals, the annual Festival of Contemporary Music and almost daily concerts by the young musicians of the Tanglewood Music Center. This year marks the 50th anniversary of the American premiere of Britten's opera, Peter Grimes, with Seiji Ozawa leading the Tanglewood Music Center Orchestra. During the all-Beethoven weekend in August, Bernard Haitink will lead the Boston Symphony Orchestra. Also among this year's artists are Yo-Yo Ma, Jessye Norman, Emmanuel Ax, Joshua Bell, Christoph Ferhanhach Itzhak Perlman André Previn, Frederica von Stade, André Watts and John Williams; from Jun 28

# E BRUSSELS

to Sep 2

EXHIBITION Musée Communal d'ixelles Tel: 32-2-5119084

 Groeninge Collection: exhibition of works from this collection of contemporary art, assembled over the past 10 years by a group of Belgian collectors. It includes works by Richter, Panamarenko, Fabre, Frère, Cartier Oursier, Keith Haring, Allan MacCollum, Mike Kelley, Sol LeWitt and others; to Jul 28

### **E CAMBRIDGE** EXHIBITION

Fitzwilliam Museum Tel:

44-1223-332900 Burne-Jones and William Morris: Illustrations for the Kelmscott Chaucer and the Aeneld: exhibition of pencil drawings produced by Sir Edward Burne-Jones for William Morris' illustrated books. In 1875. Morris completed the transcription on to vellum of six books of Virgil's Aeneid for which Burne-Jones designed half-page miniatures, marginal illustrations and storiated capitals. The Fitzwilliam Museum preserves 29 of these, most of which are displayed in this exhibition. For Chaucer's Canterbury Tales, Burne-Jones provided 87 illustrations. A group of preliminary, intermediate and finished drawings are on display; to Sec 1

# **■ CANBERRA**

EXHIBITION National Gallery of Australia Tel: 61-6-240-6411

 Roy Lichtenstein: Printworks: exhibition of printworks by the American Pop-artist Roy Lichtenstein, drawn from the museum's collection. included in the exhibition is Lichtenstein's only illustrated book. "La nouvelle chute de l'Amérique (The new fall of America)", which was acquired by the National Gallery of Australia late last year, to Jul 21

# **■ CHICAGO**

EXHIBITION Art Institute of Chicago Tel:

1-312-4433600 Splendors of Imperial China: Treasures from the National Palace Museum, Taipel: almost 400 works spanning four millennia have been selected for this exhibition from the collection of the National Palace Museum in Taipel. The display features nearly 100 paintings and calligraphic works, as well as more than 200 jades, bronzes, ceramics, and other decorative arts, including many of the Tang, Sung and Yuan masterpieces of calligraphy and painting in the museum's collection, and examples of imperial ceramic ware from the Sung through the Ch'ing periods; from Jun 29 to Aug

E COLOGNE CONCERT

Kölner Philharmonie Tel: 49-221-2040820

Kölner Rundfunk-Sinfonie-Orchester: with conductor Hans Vonk and cellist Mischa Malsky perform works by Mendelssohn and Tchaikovsky; 8pm; Jun 29

### **E COPENHAGEN**

EXHIBITION Statens Museum for Kunst - Royal Museum of Fine Arts Tel: 45-33 91 Statens Museum for Kunst ~ 100

Years - 100 Masterpieces: to celebrate the museum's centenary 100 of its masterpieces are displayed in the various sections of the museum; from Jun 23 to Aug 1

### E DUBLIN CONCERT

National Concert Hall - Geoláras Náistúnta Tel: 353-1-6711888 National Symphony Orchestra: with conductor Colman Pearce and pianist Neil Cooney perform works by Schnittke, R. Schumann and Rimsky-Korsakov, 6.30pm; Jun 28

### **EDINBURGH** EXHIBITION

Scottish National Gallery of Modern Art Tel: 44-131-5568921

 Alberto Glacometti 1901-1966: the first big exhibition of Giacometti's work in Britain since the retrospective held at the Tate Gallery in 1965. The exhibition comprises 80 sculptures, 30 paintings and a selection of drawings. These include sketches and paintings made by Giacometti in his youth, Surrealist sculptures of the arly 1930s and the celebrated series of tall standing figures begun immediately after the second world war; to Sep 22

# **E** GENEVA

CONCERT Victoria Hail Tel: 41-22-3283573 Symphony No.2: by Mahler. Performed by the Orchestre de la Stiese Romande with conductor Armin Jordan; 8.30pm; Jun 26, 28

# **■ GLASGOW**

JAZZ & BLUES Blasgow Royal Concert Hall Tel:

 The Royal Scottish National Orchestra: with conductor Lalo Schifrin, double bass-player Ray Brown, drummer Grady Tate and trumpeter/trombonist/saxonhonist James Morrison perform works by Ellington, Gillespie and Armstrong. Opening Night of The Glasgow Jazz Festival: 7.30pm; Jun 28

# **HOUSTON**

EXHIBITION The Menil Collection Tel: 1-713-525-9400 Georges Rouault: exhibition of

works by Georges Rouautt including 75 paintings, works on paper, and ects drawn primarily from The Menil Collection holdings. The religious painter Georges Rouault (1871-1958) was a Roman Catholic of deep persuasion who reacted against pompous academism and developed his own style - a combination of expressionism and refined primitivism harking back to the early Middle Ages, steined glass techniques and Oriental brush painting; to Aug 18

# M HUMLEBAEK

EXHIBITION Louisiana Museum of Modern Art Tel: 45-42 19 07 19 NowHere: a large-scale

presentation of international contemporary art. The exhibition is organised in collaboration with four guest curators: Ute Meta Bauer (Germany), Iwona Blazwick (England), Laura Cottingham and Bruce Ferguson (US). Each curator, along with curators Annell Fuchs and Lars Grambye from the Louisiana Museum, is responsible for one section of the exhibition; to Sep 8

### E LONDON CONCERT

Royal Festival Hali Tel:

44-171-9604242 The Philharmonia Orchestra: with conductor Kurt Sanderling and planist

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Maria João Pires perform works by Chopin and Schubert; 7.30pm; Jun

EXHIBITION British Museum Tel: 44-171-6361555 Vases and Volcanoes: Sir William Hamilton and his collection: exhibition focusing on the 18th century antiquary, connoisseur and natural historian Sir William Hamilton (1730-1803), better known as husband of Nelson's mistress Emma. The display features a selection from more than 200 items formerly in Hamilton's possession but now in the British Museum, together with loans from public and private collections from all over the world. The exhibition

includes sculptures, bronzes, gold jewellery, carved gemstones, painted Greek vases, paintings and drawings:

44-171-4397438 Gustave Caillebotte 1848-1894. The Unknown Impressionist: exhibition featuring works by the French Impressionist painter Caillebotte. A man of means, Calllebotte was a respected botanist, yachtsmen, philatelist and a collector of his fellow impressionists' work, activities that have tended to overshadow his achievement as a painter; to Jun 23 JAZZ & BLUES

Royal Academy of Arts Tel:

Barbican Hall Tel: 44-171-6388891 Oscar Peterson Quartet: featuring azz-pianist Oscar Peterson, double bass-player Niels-Henning Orsted-Pedersen, drummer Martin Drew and guitarist Lorne Lotsky, 8pm: Jun 29 THEATRE

Comedy Theatre Tel: 44-171-3691731 Twelve Angry Men: by Reginald Rose. Directed by Harold Pinter. The cast includes Kevin Whately, Peter Vaughan and Timothy West; Mon-Sat 7.45pm, Wed also 2.30pm, Sat also 4pm; to Jul 27 (Not Sun)

# **E** LOS ANGELES

EXHIBITION Norton Simon Museum of Art Tel: 1-818-449-6840

 The New Wave: Bonnard. Toulouse-Lautrec and Vulllard and the French Color Print: exhibition of 38 colour lithographs by the 19th-century avant-garde painters/printmakers Pierre Bonnard, Henri Toulouse-Lautrec and Edouard Vuillard, The display includes examples from Bonnard's suite "Selected Aspects of the Life of Paris", Vuillard's "Landscapes and Interiors" suite and Toulouse-Lautrec's "Elles" series; to

### **LYON**

EXHIBITION Musée des Beaux-Arts Tel: 33-72 10

 Trésor des Terreaux: exhibition devoted to this find of 545 gold and silver coins. The coins were buried around 1360 and dug up three years ago; to Feb 16

# E MADRID

CONCERT Auditorio Nacional de Música Tel: 34-1-3370100

 Joven Orquesta Nacional de España: with conductor Antoni Ros Marbá, pianist Christian Zacharias, soprano Ana Rodrigo and tenor Kurt Streit perform Mozart's Piano Concerto No.25 in C, K503, the overture to Don Giovanni, Symphony No.38 in D, K504 (Prague), scena for soprano, piano and orchestra "Ch'lo mi scordi di te", K505, and the aria "il mio tesoro" from Don Giovanni; 10.30pm; Jun 29 paintings, portraits and nudes are

# **MILAN**

OPERA Teatro alla Scala di Milano Tel: 38-2-72003744

 La fille du régiment: by Donizetti. Conducted by Donato Renzetti and performed by the Opera alia Scala. Soloists include Mariella Devia. Valeria Esposito and Giuseppe Sabbatini; 8pm; Jun 25, 26, 28

### MUNICH EXHIBITION

Villa Stuck Tel: 49-89-4555510 Franz von Stuck und die Photographie. Inszenierung und Dokumentation: this exhibition focuses on the photographic studies made by Franz von Stuck in preparation of his paintings. The display includes about 300 original photographs made by Von Stuck between 1889 and 1925; to Jul 7

### NEW YORK EXHIBITION

MOMA - Museum of Modern Art, New York Tel: 1-212-708-9400 Picasso and Portraiture. Representation and Transformation: exhibition surveying the portrait work of Pablo Picasso (1881-1973). Beginning with early studies from the artist's years in Barcelona, the exhibition moves through Picasso's life via intimate portrayals of his family, lovers and friends. The display comprises more than 130 paintings, about 100 drawings and prints, and one sculpture. Photographs and brief biographical notes on the sitters accompany the portraits; to Sep 17

# **M** NICE

EXHIBITION Musée Matisse Tel: 33-93 53 40 53 Matisse et Bonnard: exhibition to examine the friendship between Matisse and Bonnerd from the 1920s to 1947. The exhibition includes paintings, drawings, photographs and letters written by the artists, from Jun 28 to Oct 27

# **PARIS**

CONCERT Salle Pleyel Tel: 33-1 45 61 53 00 Orchestre Philharmonique de

Radio France: with conductor Eliahu Inbal and planist Frank Braley perform works by Dvořák, Ravel and Stravinsky; 8pm; Jun 27 EXHIBITION

Galeries Nationales du Grand Palais Tel: 33-1 44 13 17 17

 Les années romantiques 1815-1850: exhibition of some 180 paintings and watercolours by French artists, created between 1815 and 1850. The display includes works by 130 artists, including ingres, Delacroix, Géricault, Corot, Millet and Courbet, to Jul 15 OPERA

L'Opéra de Paris Bastille Tel: 33-1 44 73 13 99 Salome: by R. Strauss, Conducted by Donald Runnicles and performed

by the Opéra National de Paris. Soloists include Robert Tear, Helga Demesch, Eliane Coelho and Jean-Philippe Lafont; 7,30pm; Jun 27

### **ROTTERDAM**

POP-MUSIC eyenoord Stadion - De Kulp Tel: 31-10-4929400 Bryan Adams: with support act Melissa Etheridge; 5pm; Jun 29

### SAN FRANCISCO

**EXHIBITION** California Plaza of the Legion of Honor Tel: 1-415-863-3330 Pergamon: The Telephos Frieze from the Great Altar: exhibition of rare and renowned works of Hellenistic sculpture from the second century BC. Twelve newly restored relief sculptures from the Telephos frieze that once decorated the interior court of the Great Altar of Pergamon are on display, along with 30 other works that help explain the original purpose and placement of the Telephos frieze. Included are statues, fragmentary sculpture and architecture of the Great Altar, a portrait head of an Attalid king, and portraits on coins. The works come from the collection of the Pergamon Museum in Berlin; to

### STUTTGART

Sep 8

**OPERA** Staatstheater Stuttgart Tel:

49-711-20320 Aufstieg und Fall der Stadt Mehagonny: by Weill. Conducted by Janos Kulka and performed by the Oper Stuttgart. Soloists include Poulson, Bundschuh and Sade; 7.30pm; Jun 26

### **B** SYDNEY

CONCERT Concert Hall Tel: 61-2-250-7111 Sydney Symphony Orchestra: with conductor Edo de Waart and violinist Boris Belkin perform works by Rimsky-Korsakov, Tchaikovsky, Dukas and Lyadov; 8pm; Jun 27, 28

# TEL AVIV

Tel Aviv Museum of Art Tel: 972-3-6957361 Fauvism "Wild Beasts": between 1904 and 1907 a group of artists including Matisse, Derain, De Vlaminck and Braque applied non-naturalistic and often disconcerting colours to otherwise conventional subjects. A contemporary critic described the art as that produced by wild beasts, or "Fauves". This exhibition surveys this art movement through a selection of works from private and public collections in Europe, the US and Israel. Most of the paintings in the show are landscapes - the Fauves' preferred theme - but still-life

# E TOKYO

CONCERT Kasumigaoka National Stadium Tel: 81-3-34238135 The Three Tenors: Pavarotti, Domingo and Carreras: accompanied by the Philharmonia Orchestra with conductor James Levine. This concert is a part of the world tour of The

Three Tenors: 7pm; Jun 29

presented as well; to Aug 31

# **3** VIENNA

**OPERA** Wiener Staatsoper Tel: 43-1-514442960 Die Walküre: by Wagner. Conducted by Daniel Barenboim and performed by the Wiener Staatsoper. Soloists include Plácido Domingo, Waltraud Meier, Rene Pape and Falk Struckmann; 5pm; Jun 24

# **E** WASHINGTON

CONCERT Concert Hall Tel: 1-202-467 4600 Messiah: by Handel/Mozart. Performed by the National Symphony Orchestra with conductor Christopher Hogwood. Part of the Mozart Festival; 3pm; Jun 23 MUSICAL

Ford's Theatre Tel: 1-202-347-4833 The Fantasticks: by Tom Jones, with music by Harvey Schmidt. Directed by Michael Raiford. The cast includes Joe Sears, Jaston Williams, Mark Aldrich, Kevin Bailey and Julian Brightman; Tue-Sun 7,30pm, Thu also ipm, Sun also 3pm; to Jun 30 (Not

# ZURICH

**OPERA** Opernhaus Zürich Tel: 41-1-268 6666

 La Cenerentola: by Rossini. Conducted by Adam Fischer and performed by the Oper Zürlich. Soloists Include Cecilia Bartoli, Elena Mosuc and Bruce Ford; 7.30pm; Jun

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# CHESS

The UK National League has just completed its third season, in which a record 14 teams took part. Slough won the title from the Midlands in the final match. Slough's backer, local businessman Nigel Johnson, has assembled an impressive squad of grandmasters led by Adams, Speelman and Miles and plans a serious bid for the

biennial European Team Cup.

Although the UK League has

no sponsor and no team or individual prizes, it is popular among players. The final weekend at IBM Warwick last month attracted 30 GMs and IMs as well as most of the country's promising juniors and best women players. Match results and game commentaries appear in five national dailies, Sunday col-umns and chess magazines. Experience and ringcraft settled the decisive Slough v Midlands match (G Buckley v J

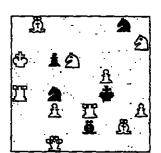
Speelman). 1 d4 e6 If at once 1 ... b6 2 e4 Bb7 3 Bd3 f5 4 exf5' favours White, 2 c4 b6 3 e4 3 Nf3 returning to conventional lines is simpler. Bb7 4 f3 Bb4+ 5 Bd2 Qe7 6 Nh3? White has already lost the thread; better 6 Nc3. f5! 7 exf5 Nc6 8 Bxb4 Qxb4+ 9 Nc3 Oxb2 10 Nb5 Ob4+ 11

Kf2 0-0-0 12 Rb1 Qa5 13 d5

Nge7 14 dxc6? 14 d6! is the last chance to make a real fight of

dxc6 15 Qe1 Rd2+ 16 Kg1 cxb5 17 Qxe6+ Rd7 18 cxb5 Rhd8 19 Nf4 Qd2 20 Nd3 Kb8 21 Bb2 Qc3 22 Rf2 Rxd3 23 Qxe7 Rd1 24 h4 Qd4 25 Qe2 Bd5 28 Kh2 Qxh4+ 27 Kg1 Qd4 28 Rh4 A blunder, but there is no good defence to Bc4. Rxf1+ 29 Resigns.

No 1,133



White mates in two moves, against any defence (by Comins Mansfield, 1917). The UK's hest composer was born a century ago in June 1896 and his finest problem, above, was created in a battlefield trench in

> Solution Pone II **Leonard Barden**

### BRIDGE

Finesses may seem a good bet, but the experts usually shub them. The reason is simple: a 50 per cent chance of an extra trick is too low, when alterna-tive lines may offer far better odds. On this deal, the declarer correctly rejected the finesse in favour of the superior line.

A 104 ♥ 65432 # A 2 ♦95 ♥J1087 **♥** K 9 ♦ QJ102 • K9864 **♣** J1073 ∳KQJ872 ∳AQ ♦ A 8 6 🛊 Q 5

South opened 1S and, over North's simple raise, bid 4S. West led Q..

South surveyed his four losers: a heart, two diamonds and a club. He knew that the heart finesse might solve his problem, but instead he focused on establishing dummy's ghastly, but long, heart suit. This line

offered him a far better chance

of success. Winning the opening lead with A♦, declarer cashed K♦ and, when both defenders followed, he laid down Ay and QV, which lost to West's KV. West cashed J♦, and led 2♦ to East's K♦, who exited with J♣, to South's Q♣, West's K♣ and dummy's A. Declarer now led another heart from dummy, ruffing it with Q4 in hand, crossed back to dummy with A4 - drawing the last trumps - and led a fourth heart, ruffing high once again. With the fifth heart now established,

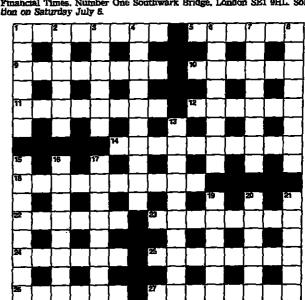
club loser. If the declarer had wasted a vital entry to take the losing heart finesse, dummy's 🗛 would have been dislodged while the spades were blocked. Dummy would still have contained sufficient entries to establish the fifth heart, but - somewhat crucially lacked the final one to enjoy

declarer crossed to dummy with 104 and discarded his

Paul Mendelson

# CROSSWORD

No. 9,101 Set by CINEPHILE A prize of a classic Pelikan Souveran 800 fountain pen for the first correct solution opened and five runner-up prizes of 235 Pelikan vouchers. Solutions by Wednesday July 3, marked Crossword 9,101 on the envelope, to the Financial Times, Number One Southwark Bridge, London SEI 9HL. Solution on Statistics, puls 8



ACROSS
1, 5 Senior churchman with less

1 Arrange systematically, if Buffalo Bill's about (6) 2 Nursary versery? (6) 3 One part of a bishopric – York's first – is folly (6) 4 A TV producer about to hive feeling? Any amount (8.6)
9, 16 Put the clock on - it's time for robbery and economy (8.6) 11 Dramatist using wood and off what is within reach (10) 6 Strange and beaut, strong as

feathers? (8)
12 Worm in the water takes rotter to hell (6) 14 Manufactured round, squareshaped as a disguise (10)
18 Non-U vulgar page, a triangular growth on one that goes straight up (6,4)

22 Nasty people give one a nasty 28 Horoscope for outstanding 15 Particular gamble if I reach actors? (4.4) 24, 25 Change of welfare, cruel to another like oneself? (6-8)

16 Pupil pre-programmed to be stoically stiff (5,3) 26, 27 Secure policeman's motto when going back into bed 17 Sort of mobile of a fish, not 19 Tut! Ran off to play it (6)

Solution 9.100

REHCBAET STRETCHER TURIN ES UÉDAA STRETCHER TURINGES UP 1 A A A LIMP DRAUGHT A C N N E E SPOTTED SOSO S N E A U S A ENTER REPRESENT S R M & P R E H SALLED MOBILISE E T N R C N R SILESTA STRANGLE

Solution 9,089 OCOESTAGEUS MED
TANDEN EN EN
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TANDE EN
TA

21 Listen to one who is pledged

to finish (6)

DOWN

7 Fitter of window shades with

a buff (5,3) 8 King's model queen should

13 Rotter floundering under water when the big hand points west? (1,7,2)

make an impression (8)

WINNERS 9.089: P.D. Milner, Bradford; Keith Robson, Sollhull; Mrs W. Morrison, Helensburgh; G.V. Byrne, Dublin; Pamela M. Dickins, Petersfield; Paul Tarry, Bury





**Sporting Profile** 

# Ivanisevic expects to play all the aces

John Barrett meets the Croatian who hopes to win Wimbledon

e threw down the cards on the table and stormed out of the room. Goran Ivanisevic does not like losing, particularly to his mother and father, Gorana and Srdjan turned towards Goran's deserted card partner, Vedran Martic, and smiled.

Ivanisarite, and same:
Ivaniseric's new coach was used to
his moods and they all knew that the
storm would blow itself out. A game
of brskulo or tresets with the family
was a good way for him to relax on
the eve of an important final.

Earlier that day in Key Biscayne, Florida, Ivanisevic had played with authority to beat the world No 1 Pete Sampras in the semi-finals of the Lipton Championships, the fifth largest tournament in the world behind the four Grand Slams. On the morrow, the 6ft 4in Croatian would launch his left-handed thunderbolts against Andre Agassi in his seventh final of the year.

This re-match of the 1992
Wimbledon final never took place. At least, only three games took place, all won by Agassi. Even by that early stage Ivanisevic realised that the stiff neck which had inhibited his movement since he had woken up

that morning, would not improve.

"That was pretty bad. I thought I had a good chance to beat Andre. I had beaten Pete and Michael [Chang]... he would be the third American. But I couldn't move my neck. I was very sad, it was a big disappointment." So there would have to be sessions of treatment and training back home in Split.

It was in this picturesque Croatian seaside town that Ivanisevic was born 24 years ago, in the days when the region was part of Yugoslavia. Although he maintains an apartment in Monte Carlo to establish residency for tax purposes – he has earned more than \$12.5m from official prize money since he turned professional in 1988 – his roots are deeply planted in Croatia.

Ivanisevic's father, a lecturer at the Electrotechnical Faculty of Split, is conscious of the family's historic links with this troubled part of the world. "We have been here for as long as anyone can remember," he says. "Split is 1,700 years old and was a Roman city. Diocletian built a palace here. My grandfather was fighting for Austria in the war and my grandmother's family were Croats who had settled in this part of Dalmatia vears before. Always we were a western culture, never eastern. But the new war is a very bad experience. The other communist countries like Czechoslovakia split peacefully. But Yugoslavia was

different. It is still very difficult."
In response to the situation, Goran
Ivanisevic has been known to spend
his tournament winnings on medical
supplies for the region. Last year he
launched the Children In Need
Foundation in Split to help war
orphans.

These past two years Ivanisevic's thoughts have also been with Daniella Mihalic, a hotel management student at the University of Opatija, who is his companion when she is not studying or modelling. It is a stable relationship that has been an important part of maturing.

important part of maturing.

Ivaniseric's patriotism was sharply focused during the 1992 Olympic Games when he carried the Croatian flag at the opening ceremony. He had competed at the Olympics for the first time in Seoul four years earlier, representing Yugoslavia. But his quarter-final finishes in singles and doubles, although outstanding

performances for a 16-year-old, had left him without a medal. In Barcelona he was determined to make amends.

I was there to see him win four consecutive five set matches in the broiling heat to reach the semi-finals – a feat never before accomplished in first-class tennis. It was a heroic achievement on the ultra-slow red clay but it left him too exhausted physically and mentally to offer much resistance to the eventual winner, Marc Rosset of Switzerland. But Ivanisevic's bronze medal meant more to him than any tournament title could have done. He had become the first and only medal winner for the new republic. As the Croatian flag rose his tears of joy spoke more eloquently than words.

of his nature, acquired sub-consciously perhaps from watching the players at the Split tennis club from his bedroom window. "It is amazing," says his father. "Our house was next to the club and within 1 mile were also born two future Yugoslav champions, Zeljko Franulovic and Nikki Pitic, the present captain of Germany's Davis Cup team."

Competitiveness was always part

Srdjan Ivanisevic had tried to interest Goran's older sister, Srdjana, in tennis but failed. Goran, though, even at the age of six, was always pestering his father to take him to the club. "So one day I did. I told him to hit on the practice wall while I went off to play my game. After two hours he was still there hitting his backhand like now but also trying to perform his forehand with two hands. That is the only thing I had to show him."

ven when he was a little boy Goran was very, very ambitious," says Srdjan. "He was the champion sprinter three years in a row for all the schools in Split, he played football and basketball and at tennis he became the Yugoslav junior champion in every age group from 12s to 18s. He always wanted to be the best but, like (John) McEuroe. he was a perfectionist and they always suffer. Once he was leading 6-0, 5-0 against a club player and missed a volley by a couple of inches. He was so mad he lost the next five games and lost the set.'

These highs and lows have been a consistent part of the Ivanisevic story. Never the No 1 junior in the world, Ivanisevic would occasionally produce an eye-popping performance that suggested future greatness. His defeat of the No 2 seed Boris Becker in the first round of the 1990 French Open was sensational. The swinging left-handed serve had already become Lethal Weapon One and his fierce groundstrokes were simply too powerful for the three-time Wimbledon champion.

In February 1991, with the intention of acquiring mental discipline, the lack of which had so often marred promising performances, Ivanisevic ended his relationship with Balazs Taroczy, his Hungarian coach. He turned instead to Bob Brett, a tough Australian, who had just parted amicably from Becker after the German's success at that year's Australian Open.

Brett was a disciplinarian of the

Brett was a disciplinarian of the Harry Hopman school. For a while it seemed that the partnership would flourish. Ivanisevic became fitter and more purposeful. His defeat of Stefan Edberg at Wimbledon in 1992 and his monumental five-set battle with Agassi in the final suggested that his talent was at last maturing.

Two years later he was in the Wimbledon final again but found Sampras too strong on the day. In spite of a short spell as the world No 2 there was still doubt about Ivanisevic's mental strength. Too often he would snatch defeat from the jaws of victory.

By the autumn of 1995 Brett had

decided it was time for a change but he had not yet told Ivanisevic. "I couldn't win a match. We came to Essen. I practised a lot and lost that day to Sinner. Then we played doubles until 2 in the morning. I lost the match so he said to me, 'OK 8 o'clock practise in the morning'. I said. Tm not going to practise because practise or no practise I cannot beat anybody.' Next morning he called me to say he wants to talk to me and I came to his room and he showed me a statement he wrote. I was shocked. I almost got heart attack. Then I was not any more sorry, I knew it's over."

The shock of being on his own seemed to release Ivanisevic from his inhibitions. There was no one to tell him how to play. At last he had to work things out for himself. With his talent allowed free expression, he stunned everyone by winning the

Compaq Grand Slam Cup with its first prize of \$1.625m.

first prize of \$1.625m.

What should he do about a coach?
On the trip home from Munich he remembered Vedran Martic, an old friend from his junior days at the Split Club.

He contacted him and the new

He contacted him and the new partnership enjoyed immediate success. Ivanisevic reached the final in six of his first seven tournaments this year and won the four titles in Zagreb, Dubai, Milan and Rotterdam to lift his career tally to 16. It was the most consistent spell of his career.

As he reflected on that period,

Ivanisevic's eyes were dancing. He says: "It's great. We have so much fun. We practise serious, we sometimes have fun on court. We play lots of shots I didn't play too much before and that's why I'm hitting those balls much better – especially forehands down the line which I used before every fifth month...now I am using a lot. With this new coach I improved a lot of those little shots which I missed before."

"I know what is my priorities...I am more focused. I am more calm on the court – everybody is surprised how calm I am. Most of all I'm enjoying myself, that's why I'm playing better," says

There is no doubt who is responsible for the change. "Everyone asks if Vedran is my brother. They say 'You look the same'. But he is my brother, my coach, my friend, everything. A lot of coaches they are just there because they are paid to be there. I didn't want a coach like that. I think for good relations you have to be good friends which I manage to be with Bob, his wife and his kids these 4½ years and with Vedran I was friends for is were so that's helped."

for 15 years so that's helped."

Despite the blistered left foot which contributed to Ivanisevic's defeat at the French Open after three faultless rounds, he will be regarded in the locker room as the man most likely to topple Pete Sampras from his Wimbledon throne in the next two

With Martic and Daniella Mihalic sitting at courtside, plus the greatest left-handed serve in the history of the game, vastly improved groundstrokes and a new outlook on life, Ivanisevic has all the aces. If he plays his cards right he will at last walk off with a Grand Slam title.



# Wolf Man exposed



is the mother
of all academic
rows - or perhaps that
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over the explosive founder of psychoanalysis, Sigmund Freud. An exhibition which was due to celebrate the centenary of the founding of the discipline at Washington's Library of Congress has had to be postponed until 1998 after protests from those who believe his ideas to be fatally discredited.

The row has passed largely unnoticed in Britain, but French and American academics have been burtling allegations back and forth with furtous abandon. This is hardly surprising: French intellectuals have always considered it chic to send pompous petitions around the world, while their American counterparts earnestly engage in whatever debate happens to be going.

Moreover, it is these two nations which have most enjoyed, if that is the right word, the great man's legacy. It is in French universities that psychology has spawned its most distinguished theoreticians, while Americans are never happier than when practising the opaque arts of analysis.

But forget for a moment these rarefied spats. Freud's vocabulary is in any case deeply embedded in our collective conscience.

Our everyday conversation is littered with casual references to repression, desire, neurosis, narcissism. We pronounce people we hardly know as anally repressed, as if they bad a touch of flu. Freudian slips, phallic symbols, the gilb interpretation of a troubling dream: all have become common currency in our attempts to understand ourselves.

But what if it is all based on a mistake? The protesters who have campaigned for the Freud centenary exhibition to be postponed believe much of the man's work to be so scientifically unsound as to be virtually worthless. More specifically, they are demanding the lifting of an embargo which prevents some of the Freud archives from being viewed until well into the next century.

These archives, they claim, contain crucial evidence that the discipline of psychoanalysis was fundamentally flawed in its conception. In his detractors' eyes, Freud was a ruthless opportunist who did not hesitate to distort evidence in support of his theories. His work might have held a superficial appeal for its vitality, but it was bad science. The implication is – should we really be celebrating at all?

But whatever the details of Anna O. Dora. Wolf Man and the rest of Freud's startling cast of characters, even his detractors admit that Freudianism's hold on modern sensibility is very strong indeed. So some kind of explanation is needed. Why have we all fallen

It is surely something to do with the awfulness of the times in which we live. Freud knocked at the door of the 20th century with a message we did not want to hear - that our impulses were sometimes primitive, hase, atavistic; and that sometimes they caused us to perform hideous acts. We did not want to hear because we were shrouded in the semi-divine myths of Romanticism and the Enlightenment. Just keep listening to Mozart, and celebrate all that is great about manking.

mankind.

But Freud turned Cherubino from a harmless cross-dresser to a seething bundle of psychosexual contradictions. Along with his cohorts, blarx and

Freud turned
Cherubino
from a
harmless
cross-dresser
to a bundle of
psycho-sexual
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Nietzsche, he darkened the palette from which humanity's portrait would be painted. And as the century wore on,

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And as the century wore on, we found it increasingly difficult to discover any brighter must the first world war, the concentration camps, ethnic cleansing, child abuse, terrorism. There must have been some terrible, hidden reason that man could do this to fellow man; and Freud had provided at least a plausible account.

In truth, many of Freudianism's least convincing aspects are already ridicults by the general population. In its journey from Viennese leather couch to Californian palm tree, the more dubious rituals of psychotherapy have ventured beyond parody. Witness popular culture's favourite practitioner, television's Frasler Crane, who is so bound in largon and pomposity that he cannot make a relationship work for longer than five minutes.

Freud himself pronounced psychoanalysis to be "an impossible profession", he also confessed that he could do no more with his patients than turn neurosis into "common unhappiness". He is, whatever his critics allege, the undisputed father of an uncommonly sad century.



James Morgan

# Eurosceptics and the truth

Why there was stiff competition for this year's Bretherton Prize

he Bretherton Prize committee had an immensely tough job this year. Russell Bretherton was the British diplomat who attended the Messina conference in 1955 which ushered in a European common market. He Loted at the time that there would be no agreement, and if there were, it would not be ratified and if

ratified, it would not work.

History in the end got it wrong, but the prize that is given annually in Bretherton's memory goes to whomever gives the best account of the so-called "European project". The choice was unusually tough this year because of the wealth of candidates who proved that the EU had no

achievements to its credit and existed solely to wipe out British sovereignty and beef But in the end the prize went to The Spectator and its editorial of a week ago entitled "The

European Mind".

It had the authentic Brethertonian touch – a perfect understanding of the delusions which affect those who believe the European dream and the knowledge that only British sceptics possess that understanding. The central tenet of this magisterial thesis was neatly encapsulated: "The continental west Europeans believe that they are prosperous, and at peace with one another for a longer time than any in their previous history, because

they formed, first, the Common

Market and then the European Union. "British Eurosceptics point

"British Eurosceptics point out that Germany, France and Italy and the Low Countries were already more prosperous than they had ever been before the Common Market was formed. As for peace, France, Germany and Italy stopped warring with one another because of a common danger: the Soviet Union."

This reflects Bretherton's view, contradicted only by the facts, that no significant moves towards integration took place before the common market was formed. There is a minor problem in that France, Germany and Italy started a second world war even though the Soviet Union was seen as dan-

gerous by many in charge of those countries. Once again, history falled the test. The rest of the piece showed how British Burnscentes could

The rest of the piece showed how British Eurosceptics could come to terms with the pathological inability of their neighbours to recognise the truths which are so blindingly obvious on the British side of the Channel. Sympathy tinged with contempt is the answer. Such insights do not always

enjoy the recognition they deserve outside Britain. This has been spotted by Helmut Alleswisser who runs the Alleswisser-Stiftung, a foundation which undertakes research in European politics. Recent studies include: Public Administration - The Foundation of the Italian Economic

Miracle; Cost Control in France; and The English Way to Animal Husbandry. By coincidence its latest survey is entitled The British

Mind. Here is an important section: "The popularity of the multinational billionaire Sir Jimmy Goldsmith among the members of the so-called Eurosceptic Conservative party comes as no surprise. In his recent book, The Trap, Sir Goldsmith calls for the creation of a Fortress Europe which will put an end to the job-destroying imports of cheap "Yellow-Peril" products that are so undermining of European industry and civilisation. It was the Conservative party that tried to put an end to Manchester Free Trade principles at the turn of the century under the leadership of Joe Chamberlain, whose son was so close to Hitler."

Alleswisser concludes: "The

Alleswisser concludes: "The favouring of inner-European trade, the single market and the all-encompassing, Goldsmith-inspired opposition to the single currency, is typical of English pragmatism. It is up to us Continentals to understand this phenomenon and come to terms with it."

Alleswisser may seem to be a mirror image of *The Spectator*, but of course there is no mirror image of omniscience.
Alleswisser does not, and could not, exist.

■ James Morgan is BBC World Service economics corre-



### WEEKEND INVESTOR

| Complany   |                      |         |                  | _             |            |           | Last week's preliminary results  |
|--|----------------------|---------|------------------|---------------|------------|-----------|--|
| The year   Congress   Section   Congress     |                      |         | Annemat          |               |            | (a)*      | Year Pre-tax Earnings Devicence  |
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| M Last                                       | week's                      | prelimina   | ry results  |
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| Company                                      | Sector to                   | profit (2000)                                       | 2738 (31'8) 2'082 (2'342)                           |
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| Anglies Comp<br>Assoc British Com            | Reals No.                   | 4,290 (21,190)<br>1,840, (663)                      | 3.2 (16.6) 7.5 (18.5)<br>(0.12) 8.06 (4.06)         |
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| Hotels Sheet                                 | . by .                      | f,102ba (671,900                                    | 38.28 (23.21)108 (7.5)                              |
| Caledonia iros<br>Caledonia Section (***)    | OfFer Mar<br>Shalle Shart   |   | 30.7 (32.5) 18.0 (17.0)                             |
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| ParatiBus II                                 | Trans Mar                   | 22,000 (24,800)                                     | 7.2 (8.2) 5.9 (4.5)                                 |
|  | Eng Mar                     | 1,800 (4,210)<br>1,800 (4,210)                      | 4.50 (8.15) 4.5 (2.57)                              |
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| Locker Thomas<br>Locker Industrial           | Seg Mar<br>Peoc Mar         | 1,790 (450)<br>                                     | 1.81 (0.42) 0.9 (0.45)<br>21.2 (0.2) 12.0 (10.0)    |
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| Old English Pets 🔸<br>Osborde & Little 🚣     | ANN Mar<br>Handin Mar       | 494 (142)<br>4,290 (3,648)                          | 30 (239 1.0 H)<br>4271 (37.04 24.5 (13.5)           |
|  | SpSv Mar                    | 1,880 (118)   | 10.12 (0.4) 2.0 (1.6)                               |
| Present & Strategic<br>Plannings toll Cap    | iotr May                    | 18,600 (R,200)<br>386.9 (251.6)                     | 730.6 (48.6) 12.67 (11.7)<br>3.83 (4.210) 3.7 (3.6) |
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| Ballock 2                                    | Tring / Jan                 | ** 190,000 (186,000)                                | " <b>38</b> 4                                       |
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| Sterling Inda<br>Spoken Spines               |                             | 8,110 (7,090)<br>2,300\$ (2,300)                    | 16.89 (17.33) 8.5 (7.5)                             |
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pence per share, except where otherwise indicated, L-loss, † Net asset value per share, ‡ Irish punts and pence. § Excludes special. § US dollars and cents. "At Oct 31 1995, § Pro forme, § Comperatives for 4 months. § Excludes special & after share consolida-tion. ★ Comperatives for 57 weeks. If Comperatives pro forms. § 15-months to Mar 31. ★ 53-week figures, ‡‡ includes interim paid as foreign income dividend. J Computatives for 8 months. § includes foreign income dividend. ‡ includes 1.18p final from Rebus.

In the Pink

# Laying down Gresham's Law in the mass market

John Train has problems with some Fine Old Names and the concept of making money in modern times

eader Thomas Bilford writes from Hong Kong to ask how one could Coca-Cola or a McDonald's 20 years ago, and then have had the courage to hold it, sometimes through turbulent times, in spite of "management's lust for acquisition" and other hazards. A good question provoked. I presume

by my recommendation of these stocks early last year. To start with, while I prefer to own "productivity plays" companies that help other companies make more money - both of these are consumer

companies, so for now I will just talk about that category. Both are what I call Gres ham's Law or perhaps Least Common Denominator companies: they sell cheap products to the mass market, not high-quality products to the rich.

One is often safer with strong mass market companies than with the old quality names. The quality companies are often driven off the shelves, or out of their highrent retail locations, by the mass market companies. Perhaps the easiest way to illustrate this point is with some examples of Fine Old Names and their equivalent Gresham's Law company: Covent Garden, Disneyland; Daimler, Nissan; Gilbert and Sullivan, Andrew Lloyd Webber, Illustrated London News, Time Out; Savile Row, Oxford

Street. In a world of stiff taxes on the rich and an expanding market at the cheaper end of the consumer spectrum, the energetic mass-market consumer company tends to overwhelm the smaller upscale purveyor with the Royal War-

John Train is chairman of Montrose Advisers, investment managers in rant, particularly if, as so often happens, the warrant-holder develops a stodgy menholder develops a stodgy men-

tality. Don't mistake me: I would rather deal with the Fine Old Names; it's just that they may have trouble making money. Sometimes, an F.O.N. sells its halo, as it were, and mutates into a Gresham's Law company, perhaps by resorting to mass marketing or by debas-

through growth. There is a variation of the impregnable "wall around the castle" concept that one should note. Sometimes a ing the product, or both. One thinks of the evolution of The All consumer companies must be

strong enough to withstand competition in their home market from first-class international rivals. It's only a question of time before they appear

Times, or of Château Mouton, whose other labels - such as Mouton Cadet - now purvey overpriced but profitable

Anyway, getting back to McDonald's and Coca-Cola, these are Gresham's Law companies per excellence, and of course extremely well managed. How do you determine quality of management? Asking the competition is one good way.
All this appears in the fig-

ures. If the profit margins are sustained while unit sales continue to grow (true of both Coca-Cola and McDonald's); if the rate of return on both the equity and the total capital employed in the business continue strong, if a high proportion of its products were introduced in the last four or five years; and if, where appropriate, the percentage of sales dedicated to research and development remains among the highest in the field, then

you know that the company is

doing something very right.

company enjoys so strong a business franchise, or niche, that it becomes complacent. and is undermined by an energetic usurper appearing from an unexpected quarter. It can, on the contrary, invigorate a company to struggle in highly competitive markets and thus stay on the qui vive. It

becomes what one might call

a corporate athlete. As

Nietsche said: "What does not

You have to watch that any

successful company maintains

its "business franchise" - the

wall around the castle, which competitors will constantly

try to breach. It fights back by

introducing attractive new

products, extending its distri-

bution and cutting prices as it achieves economies of scale

kill me, fortifies me." All consumer companies must be strong enough to withstand competition in their home market from first-class international rivals. It's only a question of time before they

And how, reader Bilford might well ask, do you spot a Coca-Cola in the first place? You sniff around in the stores. and you ask your wife. One should usually buy the leading company in a new area. not a statistically cheap one, as long as you don't overpay. An excellent approach is just

to follow what the best inves-

tors are doing, and "reverse engineer" their purchases: Warren Buffett pointed you towards Coca-Cola specifically by placing a huge bet on the stock at a small fraction of its present price.

Quite often there is an underlying concept or idée de base behind an attractive stock. That is conspicuously true of these two. As to Coca-Cola, by deliberately making it available cheaply to American troops in the second world war, the company introduced its product to an entire generation, and also to consumers world-wide. It is now one of the most solidly established

brands in existence. For McDonald's, the under lying concept is that it is possible to eat out modestly for less money (and sometimes better quality) than at home; you find variety by deciding what you want to eat and thus where to go. Working wives and young folk living on their own are particularly attracted to this notion.

As to reader Bilford's concern with "management's lust for acquisition", megalomania may indeed beset ambitious CEOs, particularly new ones who want to put their stamp on their company. You see them assuming indebtedness or accepting earnings dilution to buy something merely to get bigger, without caring enough about the impact on

profits. On the other hand, the world changes all the time, so one is right to be alert to new possibilities, although it's bet ter to create than to acquire

A great consumer company may well evolve into a shape its founders could scarcely have imagined; usually though, within its underlying concept, broadly defined. Who knows what MMM or American Home Products make? They make money!

# The week ahead

TUESDAY: Halma, the manufacturer of electronic detection and measurement equipment, is expected to resume its habitual 20 per cent a year profit growth when it reports full-year figures.
THURSDAY: Asda, the UK's fastest growing food retailer, is expected to report a rise of almost 20 per cent in annual pre-tax profits, up from

Chief executive Archie Norman and his team have made a habit of healthy gains, having boosted sales by offering better service and broader ranges, achieving low prices and reviving the brand image. Analysts expect profits of around £335m for the

current year. TRURSDAY: British Biotech,

the UK's biggest biotechnology

| £257.2m to about £300m. | company, releases its full ye            |
|-------------------------|--|
| Directors' share        | transactions in their<br>June 10-14 1996 |
|                         |  |

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|  | Hozelock  | LAND CONTRACTOR  | 12,500              | 85 1   |
|  | HTV   | Mela   | 20,000              | 78   |
|  | Lamont Ficklings  | Text   | 223,750             | 720 2  |
|  | MAID  | Mole   | 80,000              | 242  |
|  | Manchester Linked   | LAHI   | 2.625.000           | 11813 3  |
|  | Net Home Loans  | OthF   | 15,744              | ., 16  |
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|  | Marks & Spencer   | RetĠ   | 25.000              | , 121)   |
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|  | PURCHASES   |  | •                   | _  |
|  | Betterware  | RetG   | 95,000              | 102  |
|  | Caird Group   | SSer   | 30.580              | 94,,2  |
| //   | Edinburgh Olik Gas  | OII  | 150.000             | 32   |
| 1/4  | Hardy Oil & Gas   | CB   | 44,297              | _1073  |
|  | Incepta Group   | Mella  | 200,000             | 38 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1   |
|  | Paldnoton   | BMM  | 12.071              |  |
|  | WT Foods  | FdPr   | 121,740             |  |
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| er f                           | 29655            | 234         | 184%       | 2.24bn           | Rentoid                       |
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| M Steam Pkt<br>Miclands Bec. I | 146"2<br>420"4   | 146<br>421  | 120        | 43.8<br>1.73bn   | See Containers A              |
|                                | 1060             | 406<br>1007 | /          | 6.26bn<br>1.63bn | San Allence<br>Scottish Power |
| nitech                         | 736              | 695         | 674        | 514.48           | Siebe<br>a not already held   |

results. The announcement is unlikely to affect the company's share price because biotechnology company valuations depend on the progress of drugs in clinical trials - good news increases the chances of the drug being a big seller – rather than the

British Biotech is likely to show a pre-tax loss of about

level of losses incurred in

THURSDAY: BPB Industries, Europe's biggest plasterboard maker, is expected to announce a rise of just 1 per cent in pre-tax profits to about £165m for the year to March 31, after an exceptional writedown of almost 28m. FRIDAY: Lourho investors are hoping interim results will be accompanied by new moves to achieve its planned withdrawal from platinum production.

Plans to merge them with rival producer Impala were blocked by European competition authorities. Some analysts predict a demerger if Impala's appeal to the European Commission

A pick-up in the company's African plantations and growth in vehicle distribution there are expected to lift pre-tax profits from £52m into the £60m-£65m range.

# Directors' dealings

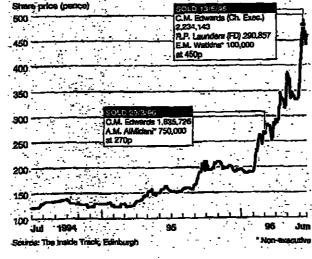
The largest purchase was at Hardy Oil & Gas where three directors, including the chief executive, John Walmsley, and the finance director, John van der Welle, bought 44,297 shares between them at 240p-245p, writes Vivien MacDonald

of The Inside Track. There was an interesting buy at the small media group, Incepta, where Graham Green, chief executive, bought 200,000 shares at 18.5p to take his holding to just over 800,000. This follows final

results at the end of May which showed a return to profit and a confident state ment by the chairman. There was another big sale at Manchester United Football

Club. Martin Edwards, chief executive, sold a further 2.2m shares at 450p and was joined by Robin Launders, finance director and Edward Watkins, who sold 390,857 shares between them also at 450p. This profit-taking followed the big rise that the shares have enjoyed recently.

# **Manchester United**



IES is to raise £500,000 via an institutional placing @ 285p.
Select Appointments is to raise £24,6m via an open offer of 9,8m new strates.
Vacation is to raise £33,4m via a placing and 3-10 open offer @ 118p.
Vocatio Group is to raise about £5m net via a placing.

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FINANCIAL TIMES Information

# Weekend Investor

Wall Street

# Lost in cyberspace with a Motley Fool

Lisa Bransten hears the electronic cries for help as technology takes a tumble

desperate plea bounced through cyberspace on Tuesday as shares in Iomega, the US computer disk drive company, slid by \$10% to \$26% for no apparent reason: "Is there reason for concern here that some of us don't know about? HELP!!!!"

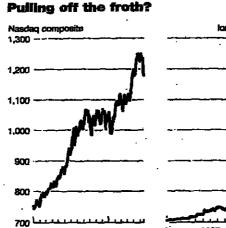
That cry, put out over the Motley Fool online investment site on America Online was echoed across Wall Street as technology shares continued the tumble that sent the Pacific Stock Exchange tech-nology index 7 per cent lower so far this month. By early Friday, the Nasdaq composite, which is about 40 per cent technology shares, had lost about 6.5 per cent from its record high set on June 5.

Despite a modest bounce in the Nasdaq by midday Friday. a large chunk of the gains made over April and May had been all but erased while indices of larger capitalisation shares managed to hold their ground. That marked a reversal of the trend in April and May, where the Dow Jones Industrial Average crept up just 1 per cent and Standard & Poor's 500 added 4 per cent, while the Nasdaq gained 13 per

In some respects, Iomega is different from other technology companies in that it has attracted a cult-like following known as the Iomegans, who visit the Motley Fool online site regularly and are widely believed to have contributed to the company's astronomical valuation. As of early on Friday, shares in the company were trading for nearly 100 times annualised earnings, well off its mid-May valuation of 169 times earnings.

But Iomega is far from being the only hot technology stock with a triple digit price/earnings ratio and, like the others, it has benefited from momentum investors and vast inflows to mutual funds focused on technology and smaller capitalisation companies.

As if the prove that inflows to small cap funds are getting out of hand, mutual fund company T. Rowe Price closed its New Horizons small cap fund. to new investors on Tuesday because it was getting more money than the managers could invest. Flows reached an average of \$10m a day in May. \$700m in the first five months of this year compared with \$267m for all of last year. To some the closing is an



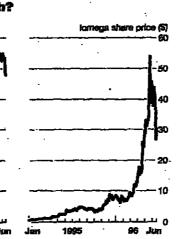
ominous sign: New Horizons, which was founded in 1960 and is considered the "grandaddy of small cap funds" has only been closed twice before - 1967 and 1972 - just as the market entered a bear phase.

But Steven Norowitz, a T. Rowe spokesman, says that in the past the fund was closed because small cap stocks were considered overvalued. This time, he says, "we still think there's some attractive growth in that area but we couldn't invest the money as fast as it was coming in."

Part of the reason for this week's setback may be that the gusher of new money is slow-ing. According to AMG Data Services, which tracks mutual fund flows, there were net redemptions of \$98m in technology funds and \$112m in small cap funds for the week ended in Wednesday. That marks a sharp reversal of the average inflows of about \$170m and \$1.1bn into tech and smallcap funds respectively near the end of May.

Also, a spate of warnings about weak quarterly earnings from technology companies worried investors about whether their shares could hold on to their astronomical valuations.

For example, Read-Rite, which makes components for personal computers, rattled the PC sector on Wednesday by announcing that it expected earnings to drop in its third quarter because some of its customers had cut or rescheduled product deliveries. On Thursday, Advanced Micro Devices, which makes microprocessors, warned that it expected to make a second quarter loss in part because of



falling prices on some memory

All of this may be a healthy retreat of an overvalued sector, say analysts. "It is pulling off the froth and the excess," says Laszlo Birinyi, president of Birinyi Associates, an equity research firm. "It may be indicative of some of the illogic being squeezed out of the market.

L. Keith Mullins, director of smallcap research at broking house Smith Barney, says a correction of as much as 15 per cent is not unlikely because the volatile stocks tend to swing wide of equilibrium in both directions. "The reason the stocks are off so hard is that they had gone up so fast and there was a lot of greed built into the valuation," he says. "It's just a gravitation back to the mean.

These nerves have not burt companies that have managed to keep up with the high expectations of investors. On Friday, shares in Oracle jumped nearly 6 per cent after the software company announced earnings that were 2 cents a share ahead of analysts estimates

And, if the chatter on Motley Fool is to be believed, it certainly has not scared off singed Iomegans. By midday Friday the shares had rebounded to \$30%, and there was much bragging in the chat rooms that the slump had been used as a buying opportunity.

**Dow Jones lad Average** 5,652.78 + 3.33 Monday Tuesday 5,625.81 - 26.97 5,648.35 + 20.32 Wednesday 5,659.43 + 11.08

# Jazza out-jinks the Guv'nor

Philip Coggan is concerned for our traditional game

Teli, you join us at an exciting stage of the Euro stock markets '96 tourdom facing yet another tough

"Yes, Brian. It's been yet another poor performance so far from the British team. By June 14, the FT/S & P Actuaries UK index was up just 2.5 per cent on the year, compared with a 10.6 per cent rise in Germany, 15.4 per cent from the Netherlands and a flambovant 16.7 per cent from the Span-iards."

"Just what has been happening to our traditional game of making money, Trevor? Didn't

ness get developed in the UK?"
"It's certainly one of our great sports. Brian. But the press have really been getting at our team, saying that our corporate chief executives and City professionals are overpaid. And there are even reports that share traders go out drinking during the day.

Rebased 1/1/96=100

Losing to the Euros in '96

Highlights of the week

307

1007

+21

+32

-29

+35

-21

-33

+30

+24

340

898

485

722

910

1023

FT-SE 100 Index

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JJB Sports

Securicor

Granada Group

Johnson Matthey

Smiths Industries

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Southern Water

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appointing. The deficit was \$3.2bn in May, or \$4.3bn if you exclude the proceeds from the privatisation of Railtrack. It looks like the government is going to overshoot its £22bn forecast for the year. A tax cut might be an own goal.

people think he's over-depen-dent on his star player, Ken "That wasn't the only sur-prising statistic of the week. Retail sales fell by 0.1 per cent "Well, Trevor, the lad is certainly overweight and he's been pictured in the press in May, when everybody was enjoying a pint and tapping his expecting them to rise. What with the weak Confederation of feet to some Chris Barber standards. But he does have some British Industry survey yesterday, the engine room of the UK "I think everyone will team is looking like it's run

"I find that hard to believe.

Yes, he's been dogged by

It's got to raise questions about the manager's leadership."

the sleaze factor all through

his stewardship. And some

'Jazza' Clarke."

crowd-pleasing skills."

interest rate cut.'

tional tax-cutting tricks.

remember that moment of

magic two weeks ago when he

sidestepped Eddie George, the

iron man midfielder nick-

named 'The Guv'nor', and

made the crowd roar with an

out of steam. "Yes, Brian, and as if they didn't have their own problems, the team faces a real threat in this tournament from Germany.

"I couldn't agree with you 'Quite remarkable, Trevor. more, Trevor. The weakness of But is he getting too old and the German economy has been hampering our exporters but, slow? It certainly does not look having said that, this week's like he can pull off his tradi-M3 money supply figures were so strong that I don't think the "No, Brian, this week's numbers on the public sector bor-Bundesbank will allow a rate cut. Falling interest rates are



one of the factors that really motivates these markets. "And what about the threat from the US? There have been some worrying developments there, which we can hear about from Jimmy in the studio half time report."

Thank you, Trevor. Our half time statistic comes from David Schwartz, the author and publisher of the Schwartz Stock Market Handbook. He points out that the S&P 500 index fell for eight trading sessions in a row up to Wednesday. That has only happened to the US market on 18 occasions since 1935. Four of those occasions were at the end of bear market and 11 of the others were associated with a signifi-

cant downturn. "The UK team tends to struggle when the news is bad from across the Atlantic. So it does not look good for the second half of the year. Now over to Alan for the transfer news."

"Thanks, Jimmy. Well, it's good news for Scotland for a change. The Scottish Power team secured the services of Southern Water in a £1.67bn transfer deal this week. Their rival bid from Southern Electric. But why didn't the water company put up more of a fight? It's just terrible, terrible defending. In my day...

"Yes, er, thank you, Alan. Takeovers certainly bring money into the game and the markets will be hoping for some more deals over the summer. But now back to the stadium where Brian and Trevor are looking ahead to the second half of the year."

"Welcome back. Despite an unpromising start to the tournament, investors will be

cheering on the UK market and boping it can outperform the Europeans from now on." "Like Spain?"

"Exactly, Trever, But I am a bit worried about the 4-42 formation.

"Yes, a dividend yield of less than 4 per cent, a real yield on index-linked gilts of nearly 4 per cent, and a bond-equity yield ratio of over 2. Those statistics don't make the market look cheap.

'Can't be good news for the manager. There are plenty of rumours that he'll shortly be replaced with a fresh-faced young Christian with a reputa-tion for disciplinary methods -Tony 'Hoddle' Blair."

nd maybe the team will do better without him. Tony is rumcoured to like the more sophisticated continental style with their advanced concepts such as monetary union."

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Brail:

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Drugs sale:

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Marie 1. Now

Personal Section (1/2)

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E1 :--BS ...

Yes, but it's a game of two halves, Trevor. Gilts would be over the moon if the UK joined up for EMU but equities would be sick as a parrot about Tony's proposals for a mini-Social Chapter and, possibly, a less favourable tax treatment for dividends."

"But some people still hope that, if the current manager can pull off a winning performance in Europe, he will have to be given another term." "It's wide open, Trevor. But

what's happening now? There seems to be some activity amongst the crowd." "Yes, Brian. Some people have reached the bottom of the page. They think this article's all over."

(It is now. Ed.)

Barry Riley

# French leave for shareholders

La vie du sol may not be all it is cracked up to be

may be still called Sun Life, but the life which is to be listed on the London Stock Exchange as from next Monday is subtly different from the Sun Life that disappeared from the market in 1991 after a messy takeover struggle involving Liberty Life, a South African group which eventually dropped out of the picture, and UAP, the big French

After all. Sun continues to be a subsidiary of UAP. Like many French companies, UAP is seriously burdened with debt and so is selling off part of the equity of its British subsidiary. Note that it is retaining control: the high valuations in the UK stock market are clearly attractive to the French, but not the market in corporate control that underpins those ratings. The new Sun Life will

therefore be an uncomfortable hybrid in terms of French and British corporate governance practices, although the prospectus gives an assurance that the majority of the board

independent of UAP. Continental European practice is to regard corporate control as too important an asset to be at the mercy of mere public shareholders. It is true that even the British government has dabbled with 'golden shares" which have for a time given it continuing

rights to block the takeovers of various privatised companies. The French have pursued a different concept of novaux durs (core shareholders), big companies which protect each other.
A good part of the strength

of Continental stock markets in recent months - including the near-25 per cent rise in the French market since last October - can be explained by the signs that these protective practices are breaking down of extracting underlying 'shareholder value Just how different France

remains to Anglo-Saxon eyes became clear this week, however, when the French industry minister Franck Borotra rejected a plan by the troubled appliance manufacturer Moulines to restructure its activities. A scheme to close two plants and dump 2,100 French workers on to the social security system was described as unacceptable. Historically, public

shareholders have not counted for much in countries such as France and Germany, which is a good reason why there are so few of them - apart from banks, and other corporate investors, who may gain commercial benefits from their shareholdings. So when these countries attempt to privatise massive businesses such as Deutsche Telekom, due to be floated this autumn

- the shortage of domestic investors implies that there has to be a big participation by foreign shareholders, who will not, however, submit quite so meekly when their interests are ignored. Nevertheless there is

entrenched opposition to Anglo- American "short-termism". involving the

The possibility of New Labour in power has begun to affect investor confidence

permanent threat from prowling predators and constant pressure from investors to feed them with ever-higher dividends. This is not creative tension, say the Continentals, but is destructive of long-term commitments to other stakeholders in society. Recently, though, the

relative buoyancy of the American and British economies, and their evident ability to cope better in a period of rapid change, involving the development of global trading and the introduction of advanced technologies, has put the Continentals on the defensive.

McKinsey, the US management consultants, attacked with a claim that the bracing US business environment leads to much greater capital productivity, and therefore to better financial returns. The US makes its capital work about 50 per cent harder than do either Germany or Japan.

Although the UK has been firmly in the US camp in this debate for many year, the possibility that New Labour which has dabbled with stakeholder theories - could assume power within the next year has begun to affect shareholders' confidence. This is partly because they fear higher dividend taxes but also because they worry about curbs on takeovers and corporate restructuring.

New Labour is, in fact, about to launch a policy document provisionally called A New Industrial Policy for Britain, which apparently will come out as soon as it can be hacked down from 6,000 to 3,000 words.

Brevity is a virtue, but not

as great a one as clarity. My briefing this week suggested that there will be a stark contrast between its initial emphasis on voluntary co-operation, and an eventual threat of new legislation - in Year Two rather than Year One of the next parliament. To begin with British companies will be invited to set up optional supervisory boards

which will embrace inclusive stakeholder concepts involving employees, local communities, suppliers and customers. Companies and institutional investors will be invited to observe various codes of conduct, covering aspects ranging from executive pay to the selection Pension fund trustees may be expected to use long-term criteria in judging their investment managers.

405

175

725

311

365

602

504%

593

Boeing to lift output

Scottish Power bid

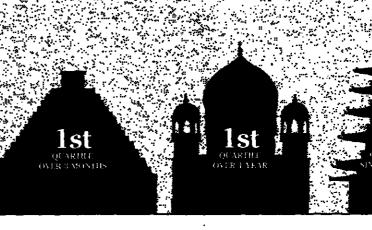
important issues and resolutions, and will be expected to disclose their voting records. If these edicts are not widely complied with, legislation will follow. In fact a new Companies Act is likely to be launched eventually in any case. The question is how the enforcement of practices approved by New Labour will be allocated between the three categories - of statute, of formal codes of conduct or of plain exhortation.

The soothing political gloss

Investment institutions will

be required to vote on all

on all this is that different stakeholders will all be better off if they work together, there need be no clash between shareholder value and stakeholder value. In a fast-growing economy this may indeed be largely true. But when the chips are down and a few thousand workers have to go, not everybody can win. La vie du sol may not be all it is cracked up to be.



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